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S.A. Accounting Firm in Merger

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San Antonio's Padgett, Stratemann & Co. LLP has merged with an Austin firm, making it the second-largest Texas-owned certified public accounting firm. Padgett Stratemann has 125 employees in San Antonio and gains 25 people in Austin by uniting with Sprouse & Anderson. The five partners of Sprouse will become partners in the Padgett firm.

"In the Austin market especially, the resources and added niches will open up opportunities in the middle market," said Ray Berend, managing partner of Padgett Stratemann. "We are a good fit to work together in the Austin market." The two firms have competed for years in some of the same industry niches, making for greater combined expertise, and have joined forces in recent years to bid on some projects.

But Sprouse & Anderson does work in some niches Padgett hasn't handled. Their greater size, Berend said, will allow them to go after more and larger clients in areas such as outside audits for publicly traded companies and accounting work for insurance companies.

Lester Sprouse will be managing partner of the Austin office and oversee growth of as many as 10 new employees in the next year.

Berend said the San Antonio office has grown at a clip of about 15 percent a year and will hire 10 to 15 people in the coming year.

Padgett & Stratemann, in business for 62 years, has clients in industries including banking, construction, medical, retail and energy. But it is perhaps best known for its work with San Antonio public entities such as San Antonio Water System, VIA Metropolitan Transit Authority, North Side Independent School District and Alamo Community College District.