

SUMMARY OF SANCTION AGREEMENT FIRM F

On the 5th day of July, 2019, the Complaints Inquiry Committee approved and accepted a sanction agreement pursuant to the provisions of s.74 of the *Chartered Professional Accountants Act*.

Under that agreement Firm F admitted to allegations of unprofessional as set out in the August 28, 2018 motion referring the matter to hearing in that they:

1. Failed to perform on a timely basis, or at all, the professional services which it agreed to perform for D.E. Inc. in March, 2014;
2. Received funds from its clients, MC and GC, without clarifying with its clients that those funds were going to be applied to outstanding accounts receivable of Firm F instead of being used to relieve the current obligations of those clients to the Canada Revenue Agency;
3. Failed to appropriately respond to requests for information related to the following clients from successor accountant R.F., between approximately June to October, 2016:
 - a) MC and WC;
 - b) GC;
 - c) GS;
 - d) H.V. Inc.
 - e) JR;
 - f) MM. H. Corporation;
 - g) 1 Alberta Ltd.;
 - h) GMG Inc.; and
 - i) D.E. Inc.
4. Failed to establish, maintain or uphold appropriate practices, policies, or procedures designed to ensure that employees or contractors who are associated with Firm F or who provide professional services on behalf of Firm F comply with the Rules of Professional Conduct, in that:
 - a) the work of its partner, RS, was not adequately supervised in relation to the professional services provided to D.E. Inc.; and
 - b) the requests and complaints of its clients, MC, GC and D.E. Inc., did not receive an adequate or timely response from RS.

AND Firm F and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof will be:

1. Payment of a fine of \$3,750.00 for allegation #1 within 60 days of the statement of costs being served;
2. Payment of a fine of \$25,000.00 for allegation #2 within 60 days of the statement of costs being served;
3. Payment of a fine of \$2,500.00 for allegation #3 within 60 days of the statement of costs being served;
4. Payment of a fine of \$18,750.00 for allegation #4(a) within 60 days of the statement of costs being served;
5. Payment of a fine of \$1,875.00 for allegation #4(b) within 60 days of the statement of costs being served;



6. Payment of costs of the investigation, hearing and compliance with the orders, in accordance with bylaw 1601, within 60 days of the issuance of the statement of costs;
7. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557;
8. If Firm F fail to comply with the sanction agreement within the time specified, the registration Firm F will be cancelled.

Discipline Tribunal Secretary
July 2019