

SUMMARY OF SANCTION AGREEMENT REGISTRANT B

On March 18, 2020, 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 Registrant B admitted to the allegations of unprofessional conduct as set out in the June 24, 2019 motion referring the matter to a hearing, in that he:

1. As shareholder, director and Chief Financial Officer of FSI, did not carry out his duties in accordance with the generally accepted standards of the profession in that he:
 - (a) Did not properly maintain the books and records of FSI; and
 - (b) Did not comply with the preparation of financial statements and reporting to investors as required by the covenants of FSI pursuant to the debenture agreements issued by FSI;
2. Failed to cooperate with the court-appointed Receiver of FSI;
3. Conducted aspects of a public accounting practice by preparing the corporate tax returns for AWM:
 - (a) while not properly registered as a professional accounting firm with CPA Alberta; and
 - (b) while not insured in compliance with the Bylaws of CPA Alberta.

All of which is contrary to the provisions of the *Chartered Professional Accountants Act*, SA 2014, c. C-10.2, the *Regulated Accounting Profession Act*, RSA 2000, c. R-12, or the regulations, bylaws, Rules of Professional Conduct enacted pursuant thereto or standards of practice, constituting unprofessional conduct.

AND, Registrant B and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof will be:

1. A written reprimand;
2. Payment of a fine of \$10,000 for allegation #1 within 180 days of the statement of costs being served;
3. Payment of a fine of \$10,000 for allegation #2 within 180 days of the statement of costs being served;
4. Payment of a fine of \$2,500 for allegation #3 within 180 days of the statement of costs being served;
5. Payment of costs of the investigation, hearing and compliance with the orders, up to a maximum of \$16,946, in accordance with bylaw 1601, within 180 days of the statement of costs being served;
6. Mandatory publication pursuant to section 98 of the CPA Act and bylaws 1550-1557;
7. If Registrant B fails to comply with the Tribunal's orders within the time specified, the registration of Registrant B will be cancelled.

Discipline Tribunal Secretary
April 2020