

DISCIPLINE HEARING PAUL STURT

A Discipline Tribunal has been convened to conduct a hearing into allegations of unprofessional conduct regarding Paul Sturt.

The Complaints Inquiry Committee alleges that Paul Sturt is guilty of unprofessional conduct in that he:

1. Failed to carry out his duties as the Controller, Vice-President of Finance and Chief Financial Officer for Company A, Company B, Company C and Company D and as the corporate director of Company E with integrity and due care, in that he received one or more of:
 - a) The following payments from Company A to the credit of his personal tax payments account with the Canada Revenue Agency when he knew or ought to have known that he was not authorized to receive them:

| Cheque no. and date | Processed date | Amount |
|---------------------|----------------|-----------------------|
| #47329, 30 Apr 2012 | 30 Apr 2012 | \$ 95,277.42 |
| #47553, 30 Apr 2013 | 30 Apr 2013 | \$110,390.78 |
| #47763, 28 Apr 2014 | 1 May 2014 | \$82,070.51 |
| #47883, 29 Oct 2014 | 30 Dec 2014 | \$90,104.60 |
| #47964, 30 Apr 2015 | 5 May 2015 | \$10,816.00 |
| #48088, 17 Jun 2016 | 9 Sep 2016 | \$363,732.00 |
| #50018, 22 Feb 2017 | 25 May 2017 | \$363,732.00 |
| Total | | \$1,116,123.31 |

- b) The following wire transfers from Company A when he knew or ought to have known that he was not authorized to receive them:

| Date | Amount |
|--------------|--------------------|
| 4 Dec 2013 | \$425,000 |
| 14 Jan 2014 | \$400,000 |
| 4 Apr 2014 | \$425,000 |
| 29 Apr 2014 | \$65,000 |
| 2 Jun 2014 | \$435,000 |
| 11 Jul 2014 | \$150,000 |
| 22 Aug 2014 | \$65,000 |
| Total | \$1,965,000 |

- c) The following wire transfers from Company C when he knew or ought to have known that he was not authorized to receive them:

| Date | Amount |
|--------------|------------------|
| 23 Oct 2014 | \$615,000 |
| 26 Jan 2015 | \$200,000 |
| Total | \$815,000 |

- d) The following funds from the trust account of Firm B, who received the funds by wire transfer from Company D, when he knew or ought to have known that he was not authorized to receive them:

| Date | Amount |
|------------|-----------|
| 5 Dec 2014 | \$200,000 |

- e) The following USD wire transfers from Company A, less a repayment of \$56,392 CDN made on December 22, 2014, when he knew or ought to have known that he was not authorized to receive them:

| Date | Amount |
|--------------|--|
| 16 Dec 2014 | \$102,300 |
| 4 Feb 2016 | \$5,500 |
| 28 Jan 2015 | \$25,000 |
| Total | USD \$132,800 |
| | <u>(less a repayment of \$56,392 CDN)</u> |

- f) The following bonus payment from Company D Employee Profit Sharing Plan when he knew or ought to have known that he was not authorized to receive it:

| Date | Amount |
|-------------|-------------|
| 17 May 2010 | \$1,150,000 |

- g) The following payments from Company E when he knew or ought to have known that he was not authorized to receive them:

| Payment source | Date | Amount |
|--------------------------|-------------------|------------------|
| <u>Chq #1012, Bank 2</u> | <u>1 Oct 2016</u> | \$400,000 |
| Chq #1357, Bank 2 | 20 Dec 2016 | \$250,000 |
| Chq #1595, Bank 2 | 13 Mar 2017 | \$150,000 |
| Total | | \$800,000 |

- h) The following funds from Company F, who received it by transfer from Company E, when he knew or ought to have known that he was not authorized to receive them:

| Payment source | Date | Amount |
|-----------------------------------|-------------|-----------|
| Transfer to Company F from Bank 2 | 27 Jun 2017 | \$400,000 |

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.

FOR FURTHER INFORMATION PLEASE CONTACT:



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