

SUMMARY OF SANCTION AGREEMENT CROWE MACKAY LLP CHARTERED PROFESSIONAL ACCOUNTANTS

On November 9, 2021, the Complaints Inquiry Committee approved and accepted a sanction agreement pursuant to the provisions of s. 74 of the *Chartered Professional Accountants Act*.

Crowe MacKay LLP Chartered Professional Accountants, admitted to the allegations of unprofessional conduct as set out in the September 21, 2021 motion referring the matter to a hearing, in that it:

1. Issued a false and misleading audit report related to the audited financial statements of HMC for the fiscal year ended December 31, 2014 in that the audit report stated that the audit had been conducted in accordance with the Public Company Accounting Oversight Board ("PCAOB") standards when the PCAOB standards were not contemplated in the planning or performance of the audit; and
2. Failed to establish, maintain and uphold appropriate policies and procedures designed to ensure that its services were performed in accordance with the generally accepted standards of practice of the profession and the required standards for publicly traded entities reporting to the United States Securities and Exchange Commission.

AND, Crowe MacKay LLP Chartered Professional Accountants and the Complaints Inquiry Committee agree that the sanctions to be imposed in consequence thereof will be:

1. Written reprimand;
2. Payment of a fine of \$10,000 for each of allegations #1 and #2 within 30 days of the statement of costs being served;
3. Payment of costs of the investigation, hearing and compliance with the orders, in accordance with bylaw 1601, within 30 days of the statement of costs being served;
4. Mandatory publication pursuant to section 98 of the CPA Act and bylaws 1550-1557;
5. If Crowe MacKay LLP Chartered Professional Accountants fails to comply with the Tribunal's orders within the time specified, the registration of Crowe MacKay LLP Chartered Professional Accountants will be cancelled.

Discipline Tribunal Secretary
November 2021