

SUMMARY OF SANCTION AGREEMENT FABER LLP CHARTERED PROFESSIONAL ACCOUNTANTS

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 Faber LLP Chartered Professional Accountants (Faber LLP) 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 Faber LLP 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 Faber LLP or who provide professional services on behalf of Faber LLP 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 Faber LLP 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 Faber LLP Chartered Accountants fail to comply with the sanction agreement within the time specified, the registration Faber LLP Chartered Accountants will be cancelled.

Discipline Tribunal Secretary
July 2019