



# CPA Alberta Conduct Case Summaries

**September 2024 – January 2025**

**March 2025**

**IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Robert Kozakowski CPA, CA and RK Accounting and Advisory Professional Corporation, the registrant and former registrant, respectively, against whom a complaint was made:**

**FACTS**

Mr. Kozakowski was the principal of RK Accounting and Advisory Professional Corporation, a professional accounting firm.

In April 2021, the RK Firm was engaged by LRD Ltd. and RSS Inc. to prepare a valuation report as to the fair market value of all the shares of LRD and RSS as of June 1, 2021. Mr. Kozakowski and the RK Firm did not, however, do any work on the engagement, and Mr. Kozakowski did not respond to email messages and phone messages in respect of the engagement. In August 2021, after repeated attempts to contact Mr. Kozakowski failed, LRD and RSS terminated the engagement.

A complaint was made to CPA Alberta about Mr. Kozakowski and the RK Firm. In both his response to the complaint and during the investigation of the complaint, Mr. Kozakowski acknowledged that he failed to perform the engagement and failed to respond to communications, he apologised, and he described mitigating circumstances that impacted his ability to fulfil the engagement.

In May 2022, the RK Firm's registration was cancelled for non-payment of dues. Mr. Kozakowski was provided with notice of the cancellation and was notified of his obligation to ensure that the RK Firm carry professional liability insurance coverage for at least 6 years following cancellation of the practice. Mr. Kozakowski did not continue PLI coverage for the RK Firm.

**FINDINGS**

Robert Kozakowski, CPA, CA and RK Accounting and Advisory Professional Corporation admitted to unprofessional conduct, in that they:

1. Failed to perform the professional services that they were engaged to perform with due care, in that they did not prepare a valuation report on the fair market value of the shares of each of LRD Ltd. and RSS Inc., as at June 1, 2021, which they were engaged in April 2021 to perform (the "Engagement");
2. Failed to respond to communications from GG of Firm G, with respect to the Engagement; and
3. Failed to ensure that Mr. Kozakowski, as the registrant that was the designated member for a professional accounting firm that ceased to practice, carried professional liability insurance for 6 years following the cessation of the RK Firm's practice, covering professional services rendered prior to the cessation of practice.

**SANCTIONS**

Robert Kozakowski, CPA, CA and RK Accounting and Advisory Professional Corporation and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Written reprimand;
2. Payment of a fine of \$500 for allegation #3 within 30 days of the statement of costs being served;

3. Payment of \$5,000 in costs of the investigation, hearing, and compliance with the orders, in accordance with CPA Alberta 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; and
5. If Mr. Kozakowski and RK Accounting and Advisory Professional Corporation fail to comply with these sanctions within the time specified, Mr. Kozakowski's registration will be cancelled and the firm's registration will be deemed cancelled under Part 5 of the *CPA Act*.

**IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Richard Winston CPA, CA and Winston & Company Chartered Professional Accountants, the registrants against whom a complaint was made:**

**FACTS**

AS had been a client of Mr. Winston and the Winston firm for about 10 years. During that time, they had prepared personal tax returns for AS and corporate tax returns for AS's company, TC Inc.

Starting in May 2019, Mr. Winston invested in RMF Inc., an offshore trading firm not registered to sell securities in Canada, for which he had an option. In October 2019, he invited AS to invest in RMF Inc. in an amount equal to Mr. Winston, with each of them to receive an equal amount of the increase in the value of the investment account. Mr. Winston believed he was offering AS an opportunity to participate in a *bona fide* investment opportunity with him.

AS and Mr. Winston agreed they would take a portion of the option as an initial investment. However, Mr. Winston was only able to contribute one-third of his share at that time. Consequently, AS transferred his full share of the initial investment to Mr. Winston's bank account and then loaned US\$100,000 towards Mr. Winston's RMF Inc. share by transferring that amount to Mr. Winston's account.

In November 2019, Mr. Winston contacted AS offering a new investment opportunity in RMF Inc., which was to be a joint investment on the same terms as they agreed upon for the initial investment. AS decided to transfer money towards the new investment into a new RMF Inc. account, consisting of his portion and a US\$50,000 loan for Mr. Winston's portion.

In January and February 2020, Mr. Winston invested more money in RMF Inc. and solicited loans from others, to be put towards his latest investment. Among those Mr. Winston approached for loans was AO, a client of Mr. Winston and the Winston firm. AO had engaged the firm in December 2019 to perform a review engagement for OM Ltd. in respect of its year ending October 31, 2019, and AO had engaged the Winston firm in April 2020 to prepare his 2019 personal income tax return. However, the Winston firm was not engaged by OM Ltd. or any of AO's companies in respect of their 2020 year-end. In February 2020, the Winston firm received a US\$100,000 loan from FI Corp., for whom AO was the Chairman and CEO. (That loan was repaid on June 2, 2021.)

By June 2020, the initial investment and new investment were lost. In early June 2020, AS confronted Mr. Winston about repaying the US\$100,000 that AS had loaned him towards the initial investment and the US\$50,000 that AS had loaned him towards the new investment. Mr. Winston assured AS that he would repay him using a payout he was expecting from a separate investment that he had made in RMF Inc. On June 17, 2020, Mr. Winston signed a Promissory Note to repay the US\$150,000 to AS by July 15, 2020, however, Mr. Winston did not repay that amount in accordance with the Promissory Note.

In July 2020, Mr. Winston approached AS about potentially taking action against RMF Inc. AS declined to participate and, instead, asked Mr. Winston about the US\$150,000. Mr. Winston said he would repay AS that amount within two weeks. On August 5, 2020, AS initiated a lawsuit against Mr. Winston. On October 20, 2021, a Consent Judgment was entered with the Court granting AS Consent Judgment against Mr. Winston.

## **FINDINGS**

Richard Winston CPA, CA and Winston & Company Chartered Professional Accountants admitted to unprofessional conduct, in that they:

1. Borrowed funds from clients in that they or either of them:
  - a. On February 29, 2020, received US\$100,000 from their client, AO, Chairman and Chief Executive Officer of FI Corp., by way of a transfer of funds from FI Corp.; and
  - b. In October and November 2019, received US\$150,000 from their client, AS.

## **SANCTIONS**

Richard Winston CPA, CA and Winston & Company Chartered Professional Accountants and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Payment of a fine of \$3,000 within 60 days of the statement of costs being served;
2. Payment of 50% of the costs of the investigation, hearing, and compliance with the orders, in accordance with CPA Alberta Bylaw 1601, within 60 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
4. If Mr. Winston and the Firm fail to comply with these sanctions within the time specified, their registration will be cancelled.

**IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Erin Briner CPA, CMA and Briner & Associates Professional Corporation, Chartered Professional Accountants, the registrants against whom a complaint was made:**

**FACTS**

In December 2019, Ms. Briner purchased an accounting practice.

An initial practice review of the Briner firm was conducted in 2020. The firm was given a “non-comply” assessment, with deficiencies in the areas of financial statements, review engagements, and quality control.

A first follow-up practice review was conducted in 2021. The firm was given a “non-comply” assessment, with deficiencies in the areas of review engagements and quality control. The Practice Review Committee directed that a member of the firm must attend a professional development (PD) session regarding the application of review engagement standard CSRE 2400 by August 31, 2022. Ms. Briner registered to take the course in November 2022 but did not attend it. The practice review department of CPA Alberta sent correspondence to Ms. Briner regarding the PD requirement ten times between August 2023 and April 2024.

A second follow-up practice review was conducted in December 2022. The firm was given a “non-comply” assessment, with deficiencies in the areas of financial statements, review engagements, and quality management. The Practice Review Committee directed that a member of the firm must attend four specified professional development sessions by August 31, 2023. Ms. Briner did not attend the four courses within the timeframe directed. Pursuant to extensions that she was granted, Ms. Briner attended them, respectively, on February 18, 2024, May 12, 2024, October 10, 2023, and February 18, 2024.

The Briner firm then engaged another accountant to act as a general second partner reviewer on the firm’s review engagement files.

A third follow-up practice review was conducted in December 2023. The firm was given a “comply” assessment.

**FINDINGS**

Erin Briner CPA, CMA and Briner & Associates Professional Corporation, Chartered Professional Accountants admitted to unprofessional conduct, in that:

1. Ms. Briner failed to sustain professional competence in all the areas in which she and the Firm were providing professional services, in that three practice reviews conducted of the Firm identified serious deficiencies in the following areas:
  - a. Compliance with Canadian generally accepted accounting principles in the preparation of financial statements;
  - b. Compliance with Canadian generally accepted standards on review engagements;  
and
  - c. Compliance with Canadian standard on quality control;

and

2. Ms. Briner failed to cooperate with the regulatory processes of CPA Alberta in that she did not attend the directed professional development courses as directed by the Practice Review Committee in the first follow-up practice review and second follow-up practice review conducted of the Firm by the specified deadlines.

## **SANCTIONS**

Erin Briner CPA, CMA and Briner & Associates Professional Corporation, Chartered Professional Accountants and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Written reprimand;
2. Payment of the costs of the investigation, hearing, and compliance with the orders, in accordance with CPA Alberta Bylaw 1601, within 30 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
4. If Ms. Briner and the Firm fail to comply with these sanctions within the time specified, their registration will be cancelled.

**IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Kevin Sauve CPA, CA and Kevin D.J. Sauve Professional Corporation, Chartered Professional Accountant, the registrants against whom a complaint was made:**

**FACTS**

The Sauve firm went through an initial practice review in 2020, a first follow-up practice review in 2021, and a second follow-up practice Review in 2022. Each time, it received a “non-comply” assessment, with review engagements (specifically, inadequate documentation to support compliance with Canadian generally accepted standards) and quality control being the areas of non-compliance.

In December 2022, Mr. Sauve engaged a third-party accountant to assist with the design and implementation of a quality management system and with reviewing the Sauve firm’s review engagement files.

The Sauve firm went through a third follow-up practice review in December 2023. It received a “comply” assessment.

**FINDINGS**

Kevin Sauve, CPA, CA and Kevin D.J. Sauve Professional Corporation, Chartered Professional Accountant admitted to unprofessional conduct, in that:

1. Mr. Sauve failed to sustain professional competence in all the areas in which he and the Firm were providing professional services, in that three consecutive practice reviews conducted of the Firm identified serious deficiencies in the following areas:
  - a. Compliance with Canadian generally accepted standards on review engagements; and
  - b. Compliance with Canadian standard on quality control;

**SANCTIONS**

Kevin Sauve CPA, CA and Kevin D.J. Sauve Professional Corporation, Chartered Professional Accountant and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Written reprimand;
2. Payment of the costs of the investigation, hearing, and compliance with the orders, in accordance with CPA Alberta Bylaw 1601, within 30 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
4. If Mr. Sauve and the Firm fail to comply with these sanctions within the time specified, their registration will be cancelled.



**IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Kenneth Allan Parker CPA, CA, the registrant against whom a complaint was made:**

**FACTS**

Mr. Parker has no previous disciplinary record with CPA Alberta.

From February 2008 until being terminated on June 20, 2017, Mr. Parker was employed by PS Corp., including as its Chief Compliance Officer and Chief Financial Officer. Throughout that time, he reported to PS Corp.'s President and Chief Executive Officer, MK. PS Corp. was a member of the Mutual Fund Dealers Association of Canada and was registered as a mutual fund dealer and exempt market dealer in Alberta and various other Canadian provinces.

In its 2012 Compliance Examination Report, the MFDA made a finding that PS Corp. had not implemented a branch and sub-branch review program that was compliant with MFDA requirements. In particular, MFDA found that various branches and sub-branches that PS Corp. had operated during that review period had never been subject to a branch review, and no branch review reports or other paperwork documented the review of other branches that PS Corp. claimed it had reviewed. Consequently, Mr. Parker submitted an action plan on behalf of PS Corp. to the MFDA, which included a branch and sub-branch review schedule.

The MFDA's rules and PS Corp.'s policies required Mr. Parker, as CCO, to submit a report to PS Corp.'s Board of Directors at least once per year, providing an assessment of PS Corp.'s compliance with its regulatory obligations, including an update on the status of the implementation of its branch review program. In each of his 2013, 2014, and 2015 CCO reports to the PS Corp. Board, Mr. Parker reported that he believed that PS Corp. had (or with one addition, would have) adequate staff to meet its compliance requirements and that the branch review schedule was being met. However, the branch review schedule was not being met at any of those times.

Mr. Parker self-reported his Settlement Agreement with the MFDA. Although he confirmed the accuracy of the information presented, he attributed the concerns to the actions of the Senior Compliance Officer and his inability to hire sufficient compliance staff. Mr. Parker asserted that the SCO prepared inaccurate reports which he relied upon in his reporting to the PS Corp. Board and that the SCO was terminated, in part due to his inaccurate reports. Mr. Parker asserted that he prepared his reports based on the incorrect reports he received from the SCO.

The MFDA started a biennial audit of PS Corp. in September 2016. Mr. Parker was required to respond to all audit inquiries and requests. From September 2016 to May 2017, the MFDA's investigator made numerous attempts to communicate with Mr. Parker, including proposing meeting dates and times, requiring information as part of its investigation into VS (a dealing representative who had sought mutual fund registration with PS Corp.) that started in March 2016, and setting deadlines relating to the MFDA's information requests. Throughout that time, there were several instances where Mr. Parker failed to respond to the investigator, responded after the deadlines, sought extensions after deadlines had passed, or provided incomplete information to requests pertaining to the VS investigation. The MFDA did not sanction Mr. Parker related to his role in the VS investigation.

In November 2017, the Financial Transactions and Reports Analysis Centre of Canada conducted a compliance examination of PS Corp. FINTRAC had identified various deficiencies in a prior compliance assessment in October 2014.

In January 2018, FINTRAC sent a letter to PS Corp., conveying the findings of its examination to assess PS Corp.'s compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, for the January 1, 2017 to June 30, 2017 time period. Specifically, FINTRAC identified various deficiencies, which FINTRAC deemed to be very significant non-compliance with the *PCMLTF Act* for the scope and period covered by its examination. Among those were PS Corp.'s failure to ensure that its appointed compliance officer performed their responsibilities adequately, including Mr. Parker's failure to address deficiencies in FINTRAC's 2014 examination; PS Corp.'s failure to develop and apply comprehensive written compliance policies and procedures; PS Corp.'s failure to fulsomely assess and document the risk of a money laundering offence or a terrorist financing offence; and, PS Corp.'s failure to develop a compliance training program for staff to comply with the *PCMLTF Act*.

On September 18, 2020, Mr. Parker made a self-report to CPA Alberta under Rule 102.4 of the *CPA Alberta Rules of Professional Conduct*. Specifically, he notified CPA Alberta of an August 6, 2020 Settlement Agreement into which he entered with MFDA. As a result of the contraventions noted in the Settlement Agreement, the MFDA issued a \$20,000 fine against Mr. Parker, directed him to pay \$5,000 in costs, and required that, if he became registered as a CCO of a member of the MFDA in the future, he would comply with his obligation to submit a report to the board of directors or partners of his employer (MFDA member) at least annually, for the purpose of assessing compliance by the MFDA member with applicable legislation. The MFDA acknowledged that Mr. Parker demonstrated remorse, accepted responsibility for his misconduct, and regretted that his reporting to the PS Corp. Board contained inaccurate statements. The MFDA further confirmed that no evidence was present to suggest Mr. Parker received any financial or other benefit through his conduct and there were no client complaints.

## **FINDINGS**

Kenneth Allan Parker CPA, CA admitted to unprofessional conduct, in that he, in his capacity as Chief Financial Officer, Chief Compliance Officer, and Vice President, Compliance & Finance of Company A:

1. Failed to perform professional services with due care, in that:
  - a. As evidenced by his entering into an August 6, 2020 Settlement Agreement with the MFDA, he failed to prepare accurate compliance reports to the Board of Directors of PS Corp. ("Board") in respect of PS Corp.'s regulatory obligations to the MFDA in that, in his reports to the Board dated April 1, 2014, April 21, 2015, and February 11, 2016, he incorrectly reported that the branch review schedule that PS Corp. had submitted to the MFDA in 2012 was being met when he knew or ought to have known that the requirements of the schedule were not being met; and
  - b. From October 2016 to June 2017, he failed to adequately respond to the MFDA in its investigation of the activities of VS (the "VS Matter") in that he did not submit responses on behalf of PS Corp. about the VS Matter in a timely manner; and

2. Failed to perform professional services with due care by failing to ensure that deficiencies identified by FINTRAC in its compliance assessment of PS Corp. on October 23, 2014 were addressed.

## **SANCTIONS**

Kenneth Allan Parker CPA, CA and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Written reprimand;
2. Payment of a global fine of \$10,000 within 90 days of the statement of costs being served;
3. Payment of 50% of the costs of the investigation, hearing, and compliance with the orders, in accordance with CPA Alberta Bylaw 1601, within 90 days of the statement of costs being served;
4. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
5. If Mr. Parker fails to comply with these sanctions within the time specified, his registration will be cancelled.

**IN THE MATTER OF a Sanction Agreement entered into by the Complaints Inquiry Committee and Chintan Nitin Jadhav, the registrant against whom a complaint was made:**

**FACTS**

Ms. Jadhav was been registered as a Candidate in the Professional Education Program at the CPA Western School of Business.

Starting in September 2018, Ms. Jadhav was employed by RK Professional Corporation. This was her first employment as a candidate. While working at the RK firm, Ms. Jadhav worked on Audit, Review, and Compilation engagements and personal and corporate tax matters. She kept a record of her day-to-day hours worked on a spreadsheet by recording client names and hours spent on those client files, but she did not break down her hours based on the type of engagement. She provided her hours worked to an administrative assistant, who kept the records, did bookkeeping, and billed the RK firm's clients in accordance with the directions of the principal of the firm. The chargeable hours form was provided by the firm and signed by the principal.

Using the Professional Education Reporting Tool, Ms. Jadhav reported her chargeable hours for the period of September 2018 to December 2020 to verify her practical experience. As part of her reporting, Ms. Jadhav signed a CPA Alberta Public Accounting Chargeable Hours Submission Form, which included a declaration that the hours reported in it were true and correct. However, the hours that Ms. Jadhav reported were inconsistent with the hours that the RK firm reported in its client profile when it went through renewal of its professional accounting firm registration in 2019, 2020, and 2021. In particular:

- a. For 2019, 2020 and 2021, the RK firm reported a cumulative total of 570 Audit engagement hours, while Ms. Jadhav reported 655 Audit engagement hours;
- b. For 2019, 2020 and 2021, the RK firm reported a cumulative total of 120 Review engagement hours, while Ms. Jadhav reported 623 Review engagement hours; and
- c. For 2019, 2020 and 2021, the RK firm reported no Other Assurance engagement hours, while Ms. Jadhav reported 433 Other Assurance engagement hours.

During the investigation of the complaint against her and the RK firm, Ms. Jadhav revealed that she worked on 10-15 Audit and Review engagements while she was at the firm, but she was unable to name more than one client on whose Audit or Review engagements she performed work. Also during the investigation, the principal of the RK firm was unable to name any clients for whom the firm was engaged to perform Audits or Reviews, he stated that he could not locate any timesheets, payroll records, work-in-progress records, invoices or other firm records that would substantiate the hours that were worked on particular engagements, and he could not recall any client files that would fall into the category of Other Assurance hours.

**FINDINGS**

Chintan Nitin Jadhav admitted to unprofessional conduct, in that she:

1. Provided information, that she affirmed to be "true and correct" on the February 24, 2021 CPA Alberta Public Accounting Chargeable Hours Submission Form, to the Practical Experience department of CPA Alberta with respect to her practical experience as obtained during her employment with the RK firm relating to the period September 24, 2018 to December 1, 2020, that could not be verified.

## **SANCTIONS**

Chintan Nitin Jadhav and the Complaints Inquiry Committee agreed that the sanctions to be imposed in consequence thereof would be:

1. Written reprimand;
2. Payment of 25% of the costs of the investigation and 100% of the costs of hearing and compliance with the orders, in accordance with bylaw 1601, within 30 days of the statement of costs being served;
3. Mandatory publication pursuant to section 98 of the *CPA Act* and bylaws 1550-1557; and
4. If Ms. Jadhav fails to comply with these sanctions within the time specified, her registration will be cancelled.