

**IN THE MATTER OF a Proceeding under
the Certified General Accountants Act, 2010**

IN THE MATTER OF a Complaint against Stanley Fung, CGA

BETWEEN:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Stanley Fung, CGA

DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL

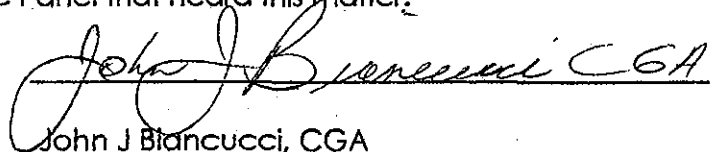
Members of the Professional Conduct Tribunal Panel:

John J Biancucci, CGA, Chair
Jack Cayne, CGA
Betty Kuchta, Public Representative

Pursuant to section 25, Article 9 of the bylaws, the Professional Conduct Tribunal Panel has reviewed the Statement of Facts and Resolution proposed by the parties in this matter, signed by the Chair of the Discipline Committee Pierre Bocti, FCGA on the 24th of November, 2010, and signed by Stanley Fung, CGA on the 1st of December, 2010. The Professional Conduct Tribunal Panel has also reviewed an email by Ms. Jolley dated the 3rd of December, 2010. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 3rd day of February, 2011

I, John J Biancucci sign this Decision as Chair of the Panel of the Professional Conduct Tribunal on behalf of the members of the Panel that heard this matter.


John J Biancucci, CGA

STATEMENT OF FACTS AND RESOLUTION

A. AGREED UPON STATEMENT OF FACTS

1. I became a member of CGA Ontario in 2009.
2. My CGA Ontario certificate number is 226908 and my CGA Canada certificate number is 367429.
3. I did not register for public practice with CGA Ontario (the "Association"). I also did not register my income tax preparation practice with the Association.
4. As such I was not permitted to prepare corporate tax returns or personal income tax returns.
5. Even though I was not registered in public practice and not registered for income tax preparation, I prepared corporate tax returns and personal income tax returns for clients in 2009 and 2010. I have approximately 68 clients for whom I prepare personal tax returns and 2 for whom I prepare corporate tax returns.
6. Rule 514 of the Code of Ethical Principles and Rules of Conduct (the "Code") requires a member engaged in a professional practice to register with the Association.
7. The Code defines a "professional practice" as "a proprietorship, partnership, limited liability partnership or professional corporation that provides professional services."
8. The Code further defines "professional services" as "any accounting, assurance, taxation services, management advisory or consulting services or other related services as may from time to time be recognized by the Association that is performed or offered to be performed by a member for a client or employer, whether or not the member asserts membership in the Association."
9. By providing professional services, including the preparation of corporate tax returns for the public, I agree that I was operating a professional practice, as defined by the Code.
10. I was not permitted by the Association to offer the professional services that I provided to the public.
11. I earned income from carrying on a public practice operated in violation of the Code.

12. I carried on a public practice providing services to clients at two locations – 505 Queensway East, Mississauga, Ontario and 2275 Upper Middle Road, Oakville, Ontario.
13. Rule 515 of the Code requires a member engaged in a professional practice to adhere to the practice inspection requirements of the Association.
14. I did not undergo a practice inspection with the Association as I was not registered to carry on the public practice work I was doing.
15. Rule 516 of the Code requires a member engaged in a professional practice to maintain professional liability insurance.
16. I did not maintain insurance for my practice.
17. The cost of insurance from the time I became a member in 2009 and for 2010 was \$2,271.24.
18. I did not purchase the Public Practice Manual (the “PPM”) or the CICA Handbook (the “Handbook”) for either of 2009 or 2010.
19. The total cost of the PPM and the Handbook and applicable renewals was \$1,676.00 for the two years in question.
20. Rule 509.1 of the Code prohibits a member from using a name that is misleading as to the nature of the functions the member can perform.
21. I advertised my services as a CGA when I was not registered to provide accounting services to the public. Specifically I placed an advertisement in a local newspaper offering “taxation, accounting, budgeting, payroll, bookkeeping, auditing” and referenced my CGA designation. I also placed an advertisement online describing myself as a “Qualified Accountant (Canadian Certified, CGA)”.
22. I also used a business card for clients which referenced the “Certified General Accountant” designation.
23. By advertising my services as a Certified General Accountant, I misled or could reasonably have misled the public to believe that I was registered to provide professional services when I was not.
24. Rule 601 of the Code requires members to comply with the Association’s bylaws and the Code.
25. By carrying on a public practice without being registered to do so, by preparing tax returns when I was not registered to do so and by advertising my practice and

using the CGA designation to do so, I did not comply with the Association's Code and therefore also did not comply with Rule 601.

26. My conduct amounted to professional misconduct and conduct unbecoming a certified general accountant.

B. AGREED UPON RESOLUTION

1. I recognize that it was contrary to the Code for me to provide professional services that included the preparation of compiled financial statements and corporate tax returns or to be associated with corporate financial statements as an independent accountant when I was not registered with the Association to do so.
2. I agree that I provided professional services to the public when I had not complied with the Association's practice inspection requirements, which was contrary to the Code.
3. I agree that it was contrary to the Code for me to prepare tax returns when I was not registered with the Association to do so.
4. I agree that I did not provide clients with accurate information about my status when I failed to advise them that I was not permitted to prepare corporate or personal tax returns as I was not registered with the Association for that work.
5. I agree that I misled or could have reasonably misled the public in advertising my services as a CGA when I was not registered to operate a public practice.
6. I agree that I profited from my breaches of the Code by carrying on a public practice that I was not permitted to offer and by preparing tax returns that I was not registered to prepare.
7. I agree that it was contrary to the Code for me to carry on a professional practice without maintaining professional liability insurance.
8. I agree that my conduct amounted to a violation of Rules 509.1, 514, 515, 516 and 601 of the Code.
9. I accept a reprimand from the Association as a result of my breaches of the Code.
10. I accept a suspension of my membership in the Association for a period of six months, from the date of ratification of this agreement by the Professional Conduct Tribunal.
11. Along with my acceptance of this resolution, I have enclosed both by CGA Ontario membership certificate and my CGA Canada membership certificate. I understand the certificates will be returned to me upon the conclusion of the six

month suspension and upon meeting the Association's reinstatement requirements.

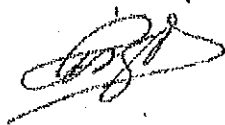
12. I understand and agree that after the six month suspension I will not operate a professional practice until I have registered and completed the requirements associated with professional practice and with membership in the Association.
13. Recognizing that I have violated five provisions of the Code and operated a public practice in violation of the Association's rules, I accept a fine of \$5,000.
14. I agree to pay the sum of \$1,676.00 representing the cost of the PPM and the Handbook that I should have paid for the years 2009 and 2010.
15. I also agree to pay the sum of \$2,271.24 representing the cost of professional liability insurance that I should have paid from the time I became a member in 2009 and for 2010.
16. I understand that the committee is not seeking any costs payable from me. However, I understand that if I do not accept this resolution, the matter will proceed to a disciplinary hearing before the Professional Conduct Tribunal and committee will be seeking costs of that hearing from me.
17. I understand that, as required by the bylaws, the terms of the resolution will be published in Statements and will also be published in a local newspaper.
18. I understand that, after a ten day waiting period from the date of acceptance of this proposed resolution, the Committee will present this proposed agreed resolution of this complaint to the Professional Conduct Tribunal. The Tribunal may accept or reject the resolution. If it accepts the resolution of the complaint, this ratification shall be the final disposition of the complaint. Where the Tribunal refuses to accept the proposed resolution, it may grant this committee an opportunity to return before it within 10 days or such other reasonable time as shall be stipulated by the Tribunal, with an amended proposed agreed resolution. Where the Tribunal refuses to ratify a proposed resolution and does not grant the committee an opportunity to return before it with an amended proposed agreed resolution, a Professional Conduct Tribunal panel of three members shall be appointed to conduct a formal hearing pursuant to sections 25 and 28 of Article 9 of the bylaws.
19. I further understand that if the committee and I are unable to resolve this complaint through an agreed upon resolution process, the matter will be referred to the Professional Conduct Tribunal for a hearing.

I hereby agree to this above statement of facts and resolution.

Date of Offer:

Name:

24 November 2010

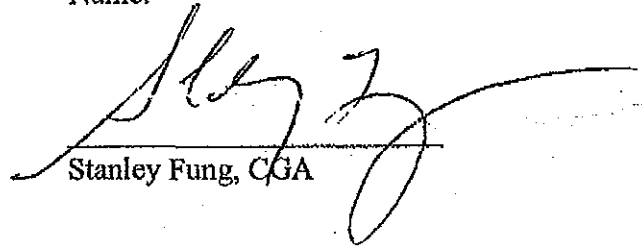


Pierre Bocti, FCGA
Chair, Discipline Committee

Date of Acceptance:

Name:

Dec. 1, 2010



Stanley Fung, CGA