

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

**IN THE MATTER OF a Complaint against Frank Leung, a member of the
Certified General Accountants of Ontario**

B E T W E E N:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Frank Leung

DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL

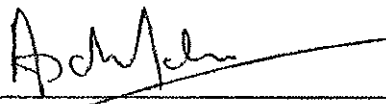
Members of the Professional Conduct Tribunal Panel:

Alexis Perera, CGA, Chair
Donald Page, CGA
Daniel Iggers, Public Representative

Pursuant to section 9, Article 9 of By-Law Four, 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 Shirley Tom CGA on the 7 June 2010 and signed by Frank Leung CGA on the 22 June 2010. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 27 day of July, 2010

I, Alexis Perera CGA, 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.



Alexis Perera CGA

STATEMENT OF FACTS AND RESOLUTION

A. AGREED UPON STATEMENT OF FACTS

1. You became a member of CGA Ontario in 1985.
2. Your CGA Ontario certificate number is 5279 and your CGA Canada certificate number is 319283.
3. You were registered in public practice with CGA Ontario (the "Association") from at least 1994.
4. In May 2009, you requested that the Association deregister your public practice and you advised that you were retired.
5. In the letter from the Association confirming that you would no longer be engaged in public practice, you were advised that you must, among other things, discontinue your use of any firm letterhead, business cards or other stationery and remove any signs advertising your firm.
6. When you deregistered, you never advised your clients that you were no longer permitted to provide professional services to them.
7. Despite being deregistered, you continued to represent to the public through signage and display of your membership certificates that you were a Certified General Accountant.
8. You occupied suite 311 at premises located at 3850 Finch Avenue East, Scarborough.
9. The signage on the tenant directory of the office building at 3850 Finch Avenue East described you and your business as "Frank Leung, Certified General Accountant".
10. The entrance to suite 311 had signage stating "Certified General Accountant".
11. You continued to prominently display your CGA Ontario and CGA Canada certificates in your office.
12. Further, you continued to provide services as an employee to 1558244 Ontario Inc. carrying on business as OE Group Accounting Services, a company owned by yourself and your wife Gloria Co.

13. You were not permitted to reference your CGA designation as you were not registered in public practice after May 2009.
14. You did not remove the reference to "Certified General Accountant" from the signage on the building directory or from the suite entrance until some time after 6 April 2010 once you were contacted by the Association and advised that you were not permitted to display signage as you were deregistered from public practice.
15. You did not remove the CGA Ontario and CGA Canada certificates until being advised by the Association in March 2010 that you were required to do so.
16. 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.
17. The Code defines a "professional practice" as "a proprietorship, partnership, limited liability partnership or professional corporation that provides professional services."
18. 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."
19. By providing or offering to provide professional services, while prominently displaying the CGA designation, you agree that you were operating a professional practice, as defined by the Code.
20. You were not permitted by the Association to offer the professional services that you provided to the public.
21. Rule 515 of the Code requires a member engaged in a professional practice to adhere to the practice inspection requirements of the Association.
22. You did not undergo a practice inspection with the Association as you were not registered to carry on the public practice work you were doing.
23. Rule 516 of the Code requires a member engaged in a professional practice to maintain professional liability insurance.
24. You did not maintain insurance for your practice.
25. The cost of professional liability insurance for 2009 was \$1,084.32 inclusive of tax.

26. You did not purchase the Public Practice Manual (the "PPM") or the CICA Handbook (the "Handbook") for 2009.
27. The total cost of the PPM and the Handbook was \$682.50 for 2009 inclusive of tax.
28. Rule 601 of the Code requires members to comply with the Association's By-Law Four and the Code.
29. By representing to the public that you were a Certified General Accountant when you were carrying on a public practice without being registered, you did not comply with the Association's Code and therefore also did not comply with Rule 601.
30. Rule 606(a) of the Code prohibits members from participating in any action that is detrimental to the Association or the profession.
31. By not advising your clients that you were no longer permitted to provide professional services as a Certified General Accountant once you deregistered and by providing professional services while representing to the public through your signago and the display of your CGA Ontario and CGA Canada membership certificates that you were a Certified General Accountant, you participated in actions detrimental to the Association and the profession.

B. AGREED UPON RESOLUTION

1. You recognize that it was contrary to the Code for you to continue to provide professional services to the public while representing to the public that you were a Certified General Accountant when you were not registered with the Association to do so.
2. You agree that you did not provide clients with accurate information about your status when you failed to advise them that you were not permitted to prepare compiled financial statements or corporate tax returns or be associated with corporate financial statements as an independent accountant or to prepare tax returns as you were not registered with the Association for that work.
3. You agree that you profited from your breaches of the Code by carrying on a public practice that you were not permitted to offer and by preparing tax returns that you were not registered to prepare.
4. You agree that it was contrary to the Code for you to carry on a professional practice without maintaining professional liability insurance.

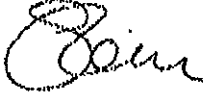
5. You agree that your conduct amounted to a violation of Rules 514, 515, 516, 601 and 606(a) of the Code.
6. You accept a reprimand from the Association as a result of your breaches of the Code.
7. Recognizing that you should not be permitted to profit from your breaches of the Code and your operation of a public practice in violation of the Association's rules, you accept a fine of \$7,500 as a result of your violations of the Code.
8. You agree to pay the sum of \$682.50 representing the cost of the PPM and the Handbook that you should have paid for 2009.
9. You also agree to pay the sum of \$1,084.32 representing the cost of professional liability insurance that you should have paid for 2009.
10. You agree that you will not offer services as an employee to GE Group Accounting Services until such time as you have registered your practice with the Association as required and met the Association's continuing standards.
11. You understand that the committee is not seeking any costs payable from you. However, you understand that if you 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 you.
12. You understand that, as required by By-Law Four, the terms of the resolution will be published in Statements and will also be published in a local newspaper.
13. You 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 9 and 12 of Article 9 of By-Law Four.
14. You further understand that if the committee and you 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:

7 June 2010

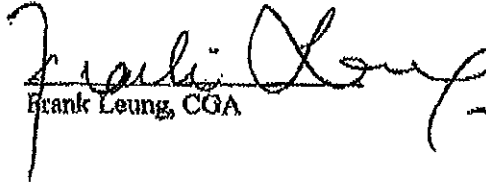


Shirley Tom, CGA
Chair, Discipline Committee

Date of Acceptance:

Name:

June 22, 2010



Frank Leung, CGA