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CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
ONTARIO

THE CHARTERED ACCOUNTANTS ACT, 2010

TO: JOERN SCHOLZ, CPA, CA

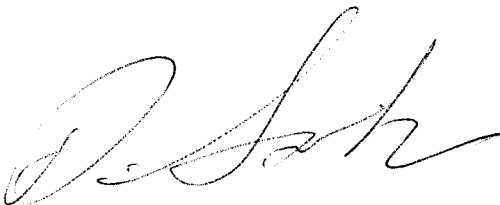
AND TO: The Discipline Committee of CPA Ontario

The Professional Conduct Committee hereby makes the following Allegations of professional misconduct against JOERN SCHOLZ, a Member of CPA Ontario:

1. THAT, the said Joern Scholz, in or about the period November 20, 2012 through January 31, 2013, while engaged to perform an audit of the financial statements of "XXCC 11**" for the year ended June 30, 2012, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
 - a. he did not comply with Section 67(4) of the *Condominium Act, 1998* and failed to note in his audit report that "XXCC 11**"’s Reserve Fund investments were not sufficient to fund the Reserve Fund;
 - b. he issued an unqualified audit report when he knew, or should have known, that the allocation of net assets between "XXCC 11**"’s Operating Fund and Capital Asset Fund was materially incorrect and that the financial statements were not prepared in accordance with generally accepted accounting principles ("GAAP"); and
 - c. he issued an unqualified audit report when he knew, or should have known that "XXCC 11**" was paying operating expenses from the Reserve Fund and that as a result, the financial statements were not prepared in accordance with the requirements of the *Condominium Act, 1998* or GAAP.

2. THAT, the said Joern Scholz, in or about the period November 20, 2012 through July 5, 2016, failed to retain for a reasonable period of time such working papers, records or other documentation which reasonably evidence the nature and extent of the work done in respect of any professional engagement, contrary to Rule 218 of the Rules of Professional Conduct, as amended, in that he failed to retain his working papers for the audit of "XXCC 11**" for the year ended June 30, 2012.

Dated at Brampton, this 5th day of January, 2017.



A.J. SOKIC, CPA, CA, DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE

Chartered Professional Accountants of Ontario is the registered name of The Institute of Chartered Accountants of Ontario.