



BUCHANAN BARRY LLP - CALGARY

Time & Place: Carriage House Inn
9030 Macleod Trail South
May 18, 19 & 20, 2010 commencing at 9:30 am

It is alleged that you Buchanan Barry LLP Chartered Accountants are guilty of unprofessional conduct between September 2005 and June 2007 with respect to an engagement regarding the review of the personal bank accounts of Mr. H and Ms.H as set out in Mr. H's letter to Buchanan Barry LLP dated April 22, 2005 and in Buchanan Barry LLP's letter to Mr. H dated October 11, 2007 by having failed to maintain and uphold appropriate policies and procedures to ensure that members associated with the firm comply with the Rules of Professional conduct and sustain their professional competence and keep informed of and in compliance with developments in professional standards in all functions in which they practice.

JOHN OWEN TAYLOR - CALGARY

Time & Place: Carriage House Inn
9030 Macleod Trail South
May 18, 19 & 20, 2010 commencing at 9:30 am

It is alleged that you are guilty of unprofessional conduct between September 2005 and June 2007 with respect to an engagement regarding the review of the personal bank accounts of Mr. H and Ms. H as set out in Mr. H's letter to Buchanan Barry LLP dated

April 22, 2005 and in Buchanan Barry LLP's letter to Mr. H dated October 11, 2007 by having:

1. accepted an engagement to provide professional services where a reasonable observer would conclude that the duty owed to Mr. H was in conflict with the duty owed to Ms. H although
 - a) you failed to advise both parties what conflict management techniques would be used to manage the conflict, and
 - b) you failed to obtain the consent to accept the engagement from both parties;
2. failed to perform professional services in accordance with generally accepted standards of practice of the profession:
 - a) if this was a forensic engagement, by having failed to
 - (i) appropriately plan the engagement,
 - (ii) maintain an investigative mindset in the collection and analysis of information,
 - (iii) consider the purpose and appropriateness of the report,
 - (iv) follow up unidentified transfers of \$143,366
 - (v) disclose that scope limitations for the Bank of Montreal account and Mr. H's personal and investment accounts were excluded,

or, in the alternative

- b) if this was an engagement to report on the results of applying specified auditing procedures, by having
 - i) stated in the report, "If the results from the sample in items (9) and (10) are extrapolated to the whole population, \$113,900 of the Round Figure Cheques would have been paid to Ms. H and \$16,000 would have been paid to external parties."
 - ii) included in the report a summary when there was no clear indication that the summary of withdrawals was an extrapolation that was based on a secondary sample and that the initial sample, which was based on significantly different data, had been ignored;
3. failed to perform services with integrity and due care and an objective state of mind in that
 - a) there was no follow-up of unreconciled transfers of \$143,366 and the significance was not disclosed in the report,
 - b) the report was biased in that there was no attempt to
 - i) determine whether household expenditures were paid by cash,
 - ii) quantify costs associated with the cottage and its mortgage,
 - iii) analyze Mr. H's personal expenditures or the Bank of Montreal account,
 - iv) determine how funds withdrawn by Ms. H were used by comparing to Ms. H's

- accounting summaries or otherwise,
- v) follow-up on the bank draft of \$44,250,
 - c) there was no link between the identified objective of the engagement and the summary of withdrawals in the report, and
 - d) the quality control and distribution sheet was not completed;
4. associated yourself with a report to Mr. H dated December 11, 2007 which you knew or should have known was false and misleading in that
- a) the report did not identify the scope limitation regarding accounts which had been excluded from the report,
 - b) classifications in the summary were not mutually exclusive and no effort was made to determine the use of withdrawals by Ms. H,
 - c) you failed to follow-up on \$143,366 of unidentified transfers to ensure they should not have reduced the withdrawals allocated to Ms. H.

DANIEL FRANCIS CLARK, CA - CALGARY

Time & Place: Carriage House Inn
9030 Macleod Trail South
May 25,26,27,28 and 31 and June 1, 2, and 3, 2010
Commencing at 9:30 am

It is alleged that you, acting alone or as a representative of Clark Adams Chartered Accountants or as a representative of Company 1 are guilty of unprofessional conduct between September 2006 and October 2007 with respect to an engagement to perform professional services and acted as Vice-President of Company 1 by failing to maintain at all times the good reputation of the profession by:

1. sending an e-mail from dan.clark@clarkadams.ca dated August 17, 2007 to Mr. K stating, "NOW, it gets UGLY. I have all of the Company 1's shareholders' contact information, all of the suppliers' information, employee information (maybe Mr. D would like to know where his future lies?), etc."
2. sending an email dated August 23, 2007 to Mr. W, stating, "You may be asked to lock me out of the system by Mr. K – please do not do so. I am still the VP Finance (at least temporarily until I decide to leave) and I will require access."
3. sending emails to third parties disclosing confidential information concerning the affairs of Mr. K and Company 1 and/or which was used to the advantage of you or in the alternative to the disadvantage of Mr. K and Company 1.
 - a) an email from dan.clark@clarkadams.ca dated August 26, 2007 to Mr. Y and Ms. S including an email sent Friday August 24, 2007 to stakeholders of Company 1.

- b) an email from dan.clark@clarkadams.ca dated August 28, 2007 to stakeholders of Company 1.
- c) an email from dan.clark@clarkadams.ca dated September 20, 2007 to stakeholders of Company 1.
- d) an email from dan.clark@clarkadams.ca dated September 24, 2007 to stakeholders of Company 1.