

**IN THE MATTER OF a Proceeding under
the *Certified General Accountants Act, 2010*
and the Association's Bylaws**

IN THE MATTER OF a Complaint against Jim Moraitis

BETWEEN:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Jim Moraitis

DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL

Members of the Professional Conduct Tribunal Panel:

Peter J Vaillancourt, CGA, Chair
Ramesh Ramotar, CGA
Kevin West, 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, Debra Taylor, and signed by Jim Moraitis, April 11th, 2013. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 6th day of May, 2013

I, Peter J Vaillancourt, 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.



Peter J Vaillancourt, CGA

**THE CERTIFIED GENERAL ACCOUNTANTS
ASSOCIATION OF ONTARIO**

**IN THE MATTER OF A PROCEEDING UNDER SUBSECTION 36(1)
OF THE CERTIFIED GENERAL ACCOUNTANTS ACT, 2010
AND THE ASSOCIATION'S BYLAWS**

**IN THE MATTER OF Jim Moraitis, a member of the
Certified General Accountants Association of Ontario**

STATEMENT OF FACTS AND RESOLUTION

A. AGREED UPON STATEMENT OF FACTS

1. Jim Moraitis ("Moraitis") became a member of CGA Ontario in 1993.
2. Moraitis' CGA Ontario certificate number is 9956. His CGA Canada certificate number is 330960.
3. On or about 31 January 2004 Moraitis registered his tax return preparation practice with the Association in compliance with Rule 514 of the Code of Ethical Principles and Rules of Conduct (the "Code").
4. On or about 19 September 2005 Moraitis deregistered his tax return preparation practice with the Association.
5. Thereafter, as a result of Moraitis' deregistration, he was not entitled to carry on a professional practice or a public accounting practice as defined in the Code from 2005 until 2010 and thereafter he was not entitled to carry on the practice of public accounting or the preparation of compilation engagements or tax returns part time or full time.
6. Commencing in 2008 and continuing throughout 2012 Moraitis carried on a professional practice, as defined in the Code, or prepared compilation engagements or tax returns. He did not register his practice as required by Rule 514 of the Code.
7. For each of 2008, 2009, 2010, 2011 and 2012, Moraitis prepared individual income tax returns for clients when he was not registered with the Association to do so. He prepared approximately 96 such returns in 2008, 395 in 2009, 393 in 2010, 350 in 2011 and 307 in 2012.

8. For each of 2008, 2009, 2010, 2011 and 2012, Moraitis prepared corporate tax returns for clients when he was not registered with the Association to do so. Moraitis prepared approximately 8 corporate tax returns in 2008, 22 corporate tax returns in 2009, 26 corporate tax returns in 2010, 27 corporate tax returns in 2011 and 24 corporate tax returns in 2012.
9. For each of 2009, 2010, 2011 and 2012, Moraitis compiled financial statements and prepared Notices to Reader with respect to financial statements he had prepared when he was not registered with the Association to do so. In 2009 he prepared approximately 7 compiled financial statements, approximately 7 compiled financial statements in 2010, approximately 6 compiled financial statements in 2011 and approximately 8 compiled financial statements in 2012.
10. Moraitis prepared the Notices to Reader on letterhead which stated: "Jim Moraitis Certified General Accountant" and he signed the notice "J. Moraitis, Certified General Accountant".
11. Moraitis earned income from carrying on the practice that he was operating in violation of the Code.
12. Rule 515 of the Code requires a member to adhere to the practice inspection requirements of the Association.
13. Moraitis did not undergo a practice inspection for the years 2009, 2010, 2011 or 2012, as he had not registered his practice as he was required to do.
14. Rule 516 of the Code requires a member engaged in a professional practice or the practice of public accounting or the preparation of compilation engagements or tax returns part-time or full-time to maintain professional liability insurance.
15. For period 2008 to March 2012 Moraitis operated the practice outlined above without carrying professional liability insurance contrary to Rule 516 of the Code.
16. The cost of professional liability insurance for the years 2008 up to March 2012 inclusive was \$4,382.27 inclusive of applicable tax.
17. Moraitis was required to but did not purchase the Public Practice Manual (the "PPM") for 2008 and 2009 when he was engaged in a professional practice or the practice of public accounting part time or full time.
18. The cost of the PPM for the two years in question was \$567.00 inclusive of applicable tax.
19. Moraitis was required to but did not purchase the CICA Handbook (the "Handbook") for each of the years 2009, 2010, 2011 and 2012 when he was

- engaged in a professional practice or the practice of public accounting or the preparation of compilation engagements or tax returns part time or full time.
20. The cost of the Handbook for 2009 to 2012 inclusive, was \$2,159.15 inclusive of applicable tax.
 21. Rule 509 of the Code prohibits members from using the designation on their website or in other advertising to attract clients for compilation or tax return work to give the impression that they are registered with the Association to do that work when they are not registered to do so.
 22. Moraitis maintained a website, www.fsccorporation.com, (Financial Services Enterprise) (the "Website") where he offered to provide "strategic accounting services for you personally and your business" including "simple tax return to complex tax planning". He offered full accounting and tax services including "financial statement preparation, personal and corporate tax planning ... T1 Generals and T2 Federal."
 23. Moraitis advertised on the Website that he was a "CGA" and displayed his CGA Canada certificate in his office in Pickering, Ontario.
 24. In using the CGA designation and in offering to provide services to the public which he was not permitted to offer, Moraitis breached Rule 509.
 25. Moraitis was aware that he was required to comply with the Code and that he was not permitted to operate his practice as he was doing, but chose not to comply with the Association's requirements.
 26. Moraitis' conduct in breaching the Code as outlined above amounted to professional misconduct.

B. AGREED UPON RESOLUTION

1. Moraitis recognizes that it was contrary to the Code for him to operate a professional practice or the practice of public accounting or to prepare compilation engagements or tax returns part time or full time (the "Registrable Services") when he was not registered with the Association to do so.
2. Moraitis agrees that he provided Registrable Services to the public when he had not complied with the Association's practice inspection requirements, which was contrary to the Code.
3. Moraitis agrees that he profited from his breaches of the Code by offering Registrable Services that he was not permitted to offer.

4. Moraitis agrees that it was contrary to the Code for him to operate a professional practice or the practice of public accounting or to prepare compilation engagements or tax returns part time or full time without maintaining professional liability insurance.
5. Moraitis agrees that it was contrary to the Code for him to operate a professional practice or the practice of public accounting or to prepare compilation engagements without a practice inspection and without the PPM and Handbook.
6. Moraitis agrees that it was contrary to the Code for him to advertise to the public that he could offer Registrable Services to the public when he was not permitted to do so and to use the CGA designation when he was not registered.
7. Moraitis agrees that his conduct amounted to a violation of Rules 509, 514, 515 and 516 of the Code.
8. Moraitis accepts a reprimand from the Association as a result of his breaches of the Code.
9. Moraitis accepts a suspension of his membership for a period of six months, from the date of ratification of this agreement by the Professional Conduct Tribunal.
10. Along with his acceptance of this resolution, he has enclosed both his CGA Ontario membership certificate and his CGA Canada membership certificate to be held for the duration of his suspension.
11. Moraitis understands and agrees that he will not offer Registrable Services until he has registered and fully completed the requirements associated with such a practice.
12. Moraitis agrees to enroll in and pass within six months of the ratification of this resolution a course offered online by CGA Canada entitled "Professional and Personal Ethics in Organizations" and to advise the Association upon his successful completion of the course. The course may then be credited toward his professional development requirements.
13. Moraitis accepts a fine of \$4,000, comprised of a fine of \$1,000 for his breach of each of Rules 509, 514, 515 and 516 of the Code.
14. Moraitis agrees to pay the sum of \$4,382.27 representing the cost of professional liability insurance that he should have paid for the years 2008 to 2011, inclusive.
15. Moraitis agrees to pay the sum of \$2,159.15 representing the cost of the Handbook that he should have paid for the years 2009 to 2012.

16. Moraitis agrees to pay the sum of \$567.00 representing the cost of the PPM that he should have paid for the years 2008 and 2009.
17. Moraitis understands that the committee is not seeking any costs payable from him. However, he understands that if he does not accept this resolution, the matter will proceed to a disciplinary hearing before the Professional Conduct Tribunal and the committee will be seeking costs of that hearing from him.
18. Moraitis understands that, as required by the bylaws, the terms of the resolution will be published in Statements in print and online.
19. Moraitis understands 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 20 and 28 of Article 9 of the bylaw.
20. Moraitis further understands that if he and the committee 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:

11 April 2013

Name:

Debra Taylor

Debra Taylor, FCGA
Chair, Discipline Committee

Date of Acceptance:

April 11, 2013

Name:

Jim Moraitis
Jim Moraitis