

IN THE MATTER OF  
**CHARTERED PROFESSIONAL ACCOUNTANTS  
OF BRITISH COLUMBIA**

(“CPABC”)

AND  
A COMPLAINT AGAINST  
**ANWAR CHAUDHRY, CPA,CA**

(“Member”)

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**DECISION**

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1. The Member received his CPA,CA designation in 1985. The Statement of Complaint alleges multiple violations by the Member of the *CPABC Code of Professional Conduct*, including the signing of financial statements and documents as CFO of companies he was not associated with, which he knew would be shown to potential investors in those companies, and which he knew or should have known were false or misleading. The CPABC contends the Member’s conduct warrants cancellation of his membership. The Member did not attend the hearing and did not contest the allegations.

Background

2. The Statement of Complaint arose from information received by the CPABC from the RCMP relating to its investigation of

[redacted]

3. On one occasion in 2022, the Member met with the President and CEO of [redacted]. Although the Member had no previous involvement with him, or with either Company, the Member signed undated 12 month Revenue Forecasts for both Companies, with his designation, CPA,CA, and with the title, Chief Financial Officer.
4. The Member had not at any time served as CFO of either Company, had not prepared the Revenue Forecasts, had not reviewed any underlying financial records of the

Companies or inquired about the backgrounds of their principals, had no objective basis from verifiable financial records to support the Forecasts, did not verify the calculations or the sources of the stated revenue, did not recognize those sources were controlled by the President of [redacted], and expressed no concern for the potential risk of fraud in connection with the use of the Forecasts.

5. The Revenue Forecasts projected monthly revenue of \$135,000,000, and total revenue of \$2,295,000,000.
6. The Member also signed a Profit and Loss Statement for [redacted] with his designation, CPA,CA, and with the title, Chief Financial Officer, which stated the total revenue of [redacted] to be \$5,524,576.49.
7. As with the Revenue Forecasts, the Member was not, and had never been, the CFO of [redacted], had not prepared the P&L Statement, had not reviewed any underlying financial records, and had no objective basis from verifiable financial records to sign the P&L Statement.
8. When the Member signed the Revenue Forecasts and the P&L Statement, he was told that they were intended to be shown to potential investors, and that if the anticipated investments came through the Member could become the CFO of [redacted].
9. There was ample evidence adduced at the hearing that the Revenue Forecasts and P&L Statement signed by the Member were then used to promote the Companies and were presented at meetings with potential investors, in the presence of a lawyer who validated the Member's CPA,CA and CFO status, which was relied by investors for the soundness of the investment, and who sustained significant financial losses as a result.
10. On receiving information from the RCMP about its investigation into [redacted] and its interview of the Member, in which the Member admitted signing the Revenue Forecasts as a CPA,CA and the CFO of the Companies, the CPABC sent the Member a detailed letter asking for his comments. The Member did not respond.
11. The CPABC followed the letter with multiple emails, telephone messages, and further correspondence requesting the Member's comments and an interview with the CPABC investigator assigned to investigate the matter. The Member did not respond, except for an email to the Chair of the Investigation Committee, saying:

*"I trusted these individuals and these were just a few spreadsheet numbers that I signed to say they add up, as presented and nothing more. This was not a projection or proforma statement ... There was no remuneration for this work ... and I did not suggest I am planning to be the CEO ... I don't know what else I can add to this file or answer any further questions as there were no other numbers or back up."*

12. In a subsequent email to the Investigator, the Member said:

*"I have no knowledge of what transpired afterwards as I was not involved at all and there was no remuneration or job offers. ... It was a mistake on my part to put my name on those statements but any rational individual would know those were not adequate for investment purposes."*

13. After its investigation was concluded, the CPABC sent the Investigation Report to the Member requesting any additional information or explanation he would like to provide. The Member's only response was a note, saying:

*"I don't have any further information that can assist you. As I have said before ... my involvement was limited to that one short meeting and signed the statement indicating numbers add up. No where do I provide an opinion or suggest any accuracy of the projections."*

### Considerations

14. In these circumstances, the CPABC contends that the Member contravened the *CPABC Code of Professional Conduct* and has thereby committed professional misconduct under Section 53(2) of *Chartered Professional Accountants Act*.

15. The mainly relevant provisions of the *Code of Professional Conduct* provide:

**104.1** A registrant shall co-operate with the regulatory processes of CPABC.

**104.2** A registrant shall:

- (a) promptly reply in writing to any communication from CPABC in which a written reply is specifically required;

**201.1** A registrant shall at all times act with courtesy and respect and in a manner which will maintain the good reputation of the profession and serve the public interest.

**202.1** A registrant shall perform professional services with integrity and due care.

**205** A registrant shall not:

- (a) Sign or associate with any letter, report, statement, representation, or financial statement which the registrant knows, or should know, is false or misleading, whether or not the signing or association is subject to a disclaimer of responsibility ...

**213** A registrant shall not associate with any activity that the registrant knows, or should know, to be unlawful.

16. The Preamble to the *CPABC Code of Professional Conduct* says:

*"The CPA Code serves not only as a guide to the profession itself but as a source of assurance of the profession's concern to serve the public interest. ... Registrants have a fundamental responsibility to act in the public interest. The public's trust and reliance on sound and fair financial and management reporting and competent advice on business affairs - and the economic importance of that reporting and advice - impose these special obligations on the profession."*

17. The allegations against the Member in the Statement of Complaint are uncontroverted and, were completely proved to the full satisfaction of the Panel, without any mitigating factors, by the testimony and documents adduced in evidence at the hearing.

18. Viewed as a whole, the Member's conduct fell markedly below the standards of conduct expected of a member of the profession, and which are relied on by the public. His conduct was not only unprofessional, it was grossly reckless. And his lack of recognition and responsibility for the consequences of his conduct, coupled with his lack of cooperation with the CPABC, make him unfit to be a member of the profession.

19. In the circumstances, the Member's conduct contravened Rules 104.1, 104.2, 201.1, 202.1, 205(a), and 213 of the *CPABC Code of Professional Conduct*, and the

contraventions constitute professional misconduct under sections 53(2)(c) and (e) of the *Act*.

Conclusion

20. Accordingly, the Panel hereby orders that:

- a. the membership in the CPABC of Anwar Chaudhry is hereby cancelled;
- b. Anwar Chaudhry pay to the CPABC, pursuant to section 53(4)(f) of the *Chartered Professional Accountants Act*, a fine in the amount of \$25,000; and
- c. Anwar Chaudhry pay to the CPABC, in accordance with the *Tariff of Costs* in Bylaw Regulation 1208/1, its costs relating to conduct of the hearing and the investigation resulting in the hearing immediately upon being presented with its Statement of Costs, with regard to which the Panel reserves the jurisdiction to determine the amount of the costs in the event of a disagreement between Mr. Chaudhry and the CPABC.

August 7, 2024

"Rozmin Sayani"

**For the Panel:**

Rozmin Sayani, FCPA, FCA, Chair

Bruce McLennan, FCPA, FCMA

Dawn Demery, CPHR