

DISCIPLINE NOTICE

FILE #201133

FINDING

Member A, is guilty of unprofessional conduct between September 30, 2010 to March 15, 2011, in having failed to maintain the good reputation of the profession and its ability to serve the public interest in that:

1. he obtained information while performing audit procedures for the audit of Company A, that Company A had been identified as a prospective takeover target and he used this information to his personal advantage in that he:
 - a. purchased 25,000 shares at a price of \$5.60 each, prior to the information becoming public; and
 - b. sold 25,000 shares at a price of \$7.26 each, after the information became public.
2. he admitted to the Alberta Securities Commission in a Settlement Agreement and Undertaking dated March 15, 2011 that he breached section 147(2) of the *Securities Act* by purchasing and selling shares of Company A with knowledge of information prior to it being generally disclosed; and
3. he failed to advise Individual A, the designated partner of Company B, of his interest in Company A shares which would have precluded his participation on the engagement team.

ORDERS

In accordance with Section 93 of *RAPA*, the Tribunal orders that:

- **Member A** be reprimanded in writing by the Chair of the Discipline Tribunal.
- The registration of **Member A** be suspended for one year commencing January 11, 2012 and pending compliance with the following specified condition: completion of a business ethics related course, such course to be pre-approved by the Chair of the CIC.

In accordance with Section 94 of *RAPA*, the Tribunal orders that **Member A**, pay:

- 100% of investigation costs, 50% of hearing costs and 100% of compliance with orders costs within 30 days from the date of service of statement of costs.
- a fine in the amount of \$2,500 for each finding of unprofessional conduct within 60 days from January 11, 2012.

If the costs and fines are not paid within the times stipulated, the registration of **Member A** is immediately cancelled.

PUBLICATION

The Tribunal further orders the Mandatory Publication Requirements be published as soon as practicable after the decision is issued:

1. notification of a summary of the Tribunal's findings and any orders made, be provided to all provincial institutes, the Institute of Chartered Accountants of Bermuda, and any other professional organization **Member A** belongs to and the Institute is aware of, as of the date of this order;



2. notice of the suspension of registration, the nature of the conduct and orders made, and any conditions to be met prior to any application for reinstatement in connection therewith be provided to all chartered accountants;
3. notice of suspension of registration shall be published to all chartered accountants by one time insertion in the Membership Activity Report;
4. Summary of the Tribunal's findings of unprofessional conduct be provided to anyone who makes a written request about the discipline history of **Member A**;
5. a summary of the Tribunal's findings, the nature of the conduct, any orders made as a result of the findings, and any conditions to be met prior to any application for reinstatement in connection therewith be published on the ICAA public website on a named basis;
6. The Tribunal's written decision, with the names of third parties replaced by pseudonyms
 - a) be published on a named basis on the Institute Website
 - b) be provided to Quicklaw
7. and publish in the business section of The Calgary Herald the fact of the suspension of registration as a result of discipline proceedings and that more information can be obtained from the Institute.

Discipline Tribunal Secretary