



SUMMARY OF SANCTION AGREEMENT

Member A

On the 26th day of March 2014, the Complaints Inquiry Committee approved and accepted a sanction agreement pursuant to the provisions of s. 74 of the *Regulated Accounting Profession Act* R.S.A. 2000, c. R-12.

Under that agreement **Member A** admitted that he acting alone or as a representative of **Member A** Professional Corporation or as a representative of Company A or BC Inc. is guilty of unprofessional conduct in that he:

- A. regarding an August 16, 2006 contract between C & L and BC Inc., which provided that BC Inc. would act as general contractor overseeing the construction of 34 condominium units on property owned by C & L in that, as Chief Financial Officer of Company A and BC Inc., he:
 1. failed to perform his duties with due care in that he was aware that C & L paid approximately \$1,605,000 to Company A/BC Inc. for the performance of the construction work but the funds were not solely used to pay trades and material suppliers engaged with respect to the work pursuant to the contract and, instead, were used to pay other debt obligations of Company A, in order to cover cash flow shortages of Company A;
 2. failed to implement effective internal controls over cheques issued and paid by Company A during the period of August 2006 to June 2007 in that he was aware that one of the co-shareholders had forged the signature of another co-shareholder on a number of cheques; and
- B. regarding the prospective amalgamation of Company A and BC Inc., whereby he made representations that he knew or should have known were false or misleading by swearing a declaration, on September 25, 2007, during the amalgamation process, that he had examined the books and records of Company A and BC Inc. and had made the necessary investigation to enable him to state that, upon amalgamation, the amalgamated company would be able to pay its liabilities as they became due, and that the realizable value of the assets of the amalgamated company would not be less than the aggregate of its liabilities and stated capital.

ORDERS

Member A, and the Complaints Inquiry Committee agree that the sanctions to be imposed in consequence thereof will be:

1. A reprimand from the Chair;
2. Payment of fines of \$5,000 per finding of unprofessional conduct, for a total of \$10,000, within 60 days of the issuance of the statement of costs;
3. Payment of costs of the investigation, hearing and compliance with the orders, within 60 days of the issuance of the statement of costs;



PUBLICATION

1. A summary of the sanction agreement's admissions and sanctions be provided to all provincial institutes, the Institute of Chartered Accountants of Bermuda and any other professional organization to which **Member A** belongs and the Institute is aware, as of the date of this agreement;
2. A notification of the sanction agreement's admissions and sanctions be provided to all provincial institutes to which **Member A** applies for membership at any time following this order;
3. A notification of the sanction agreement's admissions and sanctions be provided to anyone who directs an enquiry to the Institute about the discipline history of **Member A**;
4. A summary of the sanction agreement's admissions, the nature of the conduct and any sanctions agreed to be published on the ICAA public website on a named basis;
5. The sanction agreement with all third parties' names replaced by pseudonyms, be published on the ICAA public website on a named basis;
6. A copy of the sanction agreement be provided to Quicklaw in accordance with the bylaws.

If **Member A** fails to comply with the sanction agreement's sanctions within the time specified, the registration of **Member A** cancelled and he will be required to return his membership certificate to the Institute.

Discipline Tribunal Secretary
March 26, 2014