



## **DISCIPLINE NOTICE MEMBER A**

Member A had provided professional accounting services to both shareholders and an operating company. When the shareholders decided to part company, Member A continued to act for one of the shareholders during the sale negotiations. A complaint was received alleging that Member A was in a conflict of interest position.

The complaint was investigated by the Institute and a sanction agreement was accepted when Member A, CA admitted that he was guilty of unprofessional conduct in having:

1. provided information for one partner to use in negotiations,
2. provided information to one partner regarding the valuation of shares,
3. made representations on behalf of the operating company in an e-mail dated August 2, 2006, and
4. advocated one partner's position during the negotiations, although he failed to:
  - a) determine whether he would be perceived as being in a conflict of interest between the duties owed to both shareholders of the operating company.
  - b) develop and advise both shareholders of the conflict management techniques that would be used to manage the conflict, and
  - c) obtain the consent of both shareholders to accept the engagement

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

1. complete a course in business ethics, as approved by the CIC Chair, by December 31, 2008
2. pay a fine of \$10,000 within 30 days of the issuance of the statement of costs
3. pay the costs of the investigation and hearing and compliance with the orders within 30 days of the issuance of the statement of costs.

### **Publication**

- notice of a summary of the Tribunal's findings and orders 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;
- notice the Tribunal's finding(s) and order(s) be provided to all provincial institutes to which Member A applies for membership at any time following this order; and
- notice of the Tribunal's findings and orders be provided to any member of the public who directs an enquiry to the Institute about the discipline history of Member A,

Discipline Tribunal Secretary