



## **NOTICE OF CANCELLATION OF REGISTRATION DAVID ROBERT STEWART**

On January 12, 2005, a Discipline Tribunal cancelled the registration of **David Stewart**.

The Tribunal found David Stewart, acting alone or as a representative of Company "A", guilty of unprofessional conduct in having, with respect to professional services provided for a Joint Venture between 2001 and 2002, failed to maintain the good reputation of the profession and its ability to serve the public interest by abusing his trust and fiduciary responsibilities to the Joint Venture in that he:

1. utilized the funds of the Joint Venture to reduce the line of credit of the Company "A" and to reduce its interest expenses, and failed to advise and receive the consent of the Joint Venture for the benefit
2. appropriated funds of the Joint Venture to pay Company "B" for services although:
  - a) Company "B" had not reached an understanding with the Joint Venture as to the services it would perform and the costs to be incurred for its services,
  - b) no billing had been rendered,
  - c) prior to June 10, 2002 no one associated with the Joint Venture other than David Stewart knew of, nor had approved, any payments to Company "B", and
  - d) after June 10, 2002, David Stewart was aware the Board questioned the payments he had received.
3. placed himself in a conflict of interest position by paying Company "B", which arose because
  - a) there was no agreement authorizing a retainer,
  - b) there was no clear agreement as to what services were to be rendered and what the basis for payment was; and
  - c) there was no independent approval of the amounts being paid to him.
4. appropriated funds of the Joint Venture to pay expenses of the Company "A",
5. Associated himself with false and misleading financial statements and detailed general ledger of the Joint Venture for the period January 1, 2002 to May 2, 2002, in that these financial records did not disclose payments made to Company "B"
6. failed to fully and properly account for the funds held by him as trustee.

In addition to this notice, the Discipline Tribunal ordered publication of the decision by

1. notification 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 David Stewart belongs to and the Institute is aware of, as of the date of this order;
2. notification of the Tribunal's findings and orders be provided to all provincial institutes to which David Stewart applies for membership at any time following this order;



3. notice of the cancellation of registration and the nature of the conduct and order made be provided to all chartered accountants by way of inclusion in the next general mailing from the Institute of Chartered Accountants of Alberta to chartered accountants;
4. notice of the cancellation of registration be provided to all Chartered Accountants by way of an insertion in the "Membership Activity Report"; and
5. 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 David Stewart;
6. notice of the cancellation of registration be published in the *Edmonton Journal* and that more information can be obtained from the Institute of Chartered Accountants of Alberta;

Jude Corrin  
Discipline Tribunal Secretary  
March 11, 2005