



DISCIPLINE NOTICE

On May 9, 2008 the Court of Appeal of Alberta confirmed **Company "A"** guilty of three counts of unprofessional conduct; two counts of being associated with false and misleading statements and one count of failing to maintain confidentiality with respect to the affairs of a former client.

Company "A" were engaged to confirm and trace the assets of a client's ex-husband and to "report on the reasonableness of his income". The engagement letter, signed by the client, specified that "neither our draft report nor our final report is intended for general circulation or publication, nor is either to be reproduced or used for any purpose other than outlined above without our written permission" A "Preliminary Report" was provided to the client, who included the report in her affidavit filed in Court to support a child support application. No permission was sought from Company "A".

The client's ex-husband contacted Company "A" to make inquiries about the report, and a member of the firm advised the managing partner by e-mail that the husband's reputation hadn't been slighted. Company "A" then withdrew the report from circulation and advised the client by letter of the withdrawal, stating that the report had been released without their permission, and that their invoices had not been paid. At about the same time the letter to the client was written, Company "A" advised the ex-husband of the decision to withdraw the report. On receipt of the withdrawal letter, the client responded stating that there were no restrictions on her use of the report and expressing concern because her ex-husband's lawyer had contacted her with knowledge that her account remained unpaid. Company "A" advised the client that her ex-husband "was verbally advised that our report had been withdrawn ...but no other information was provided or discussed". Then, in response to a notice to attend as a witness in the Court application, an employee of Company "A" swore an affidavit attaching a copy of the withdrawal letter sent to the client.

The Court confirmed orders that Company "A" shall:

- a) provide written instructions to all partners and professional staff in its Calgary and Edmonton offices setting out ethical responsibilities to its clients and former clients under the Rules of Professional Conduct and related Guidelines of the Institute of Chartered Accountants of Alberta;
- b) pay fines totaling \$27,500; and
- c) pay costs of \$ 63,785.

The Discipline Tribunal further ordered that:

In addition to this notice, publication of the findings and orders were ordered to all provincial institutes, the Institute of Chartered Accountants of Bermuda, to any other provincial organization to which Company "A" belongs, to those provincial institutes to which Company "A" apply for membership in the future, a summary of the tribunal's findings and orders to anyone who directs an enquiry to the Institute about the discipline history of Company "A", and publication in the business section of *the Calgary Herald*.

Jude Corrin
Discipline Tribunal Secretary
September 30, 2008