



DISCIPLINE NOTICE GARTH LIONEL HART

On November 13, 2008, a Discipline Tribunal found **Garth Hart** guilty of unprofessional conduct between 1997 and 2008 in having failed to maintain the good reputation of the profession by:

1. failing to perform professional services for Company Client One and Company Client Two with integrity and due care by failing to
 - a. complete the necessary elections to dissolve Company Client One and roll its assets into Company Client Two.
 - b. failing to provide the information requested in Canada Revenue Agency's letter of June 11, 2007 within the time stipulated, and
2. failing to respond to letters from the Institute of Chartered Accountants of Alberta in which a response was specifically requested.

In 1997, Garth Hart advised a long standing client on a remedial plan to resolve certain tax issues that arose because of transactions between the two companies. He was instructed to implement the plan, which involved a rollover of shares of one company to the other company and a share redemption dividend. Garth Hart had not implemented this plan by August, 2004.

Canada Revenue Agency [CRA] reviewed the client's 2000 tax return and issued a \$328,937 reassessment in August, 2004. Garth Hart was made aware of the reassessment and undertook to resolve the matter. He proposed to CRA that the reassessment be resolved by reviving one company and filing applicable tax returns; amending financial statements of the other company; and filing applicable rollovers and declaring dividends from one company to the other. CRA indicated it would consider reversing the reassessment if Garth Hart submitted the proposed documents. Garth Hart did not complete and file all of the documents to the satisfaction of CRA. The Tribunal ordered that Garth Hart:

1. be reprimanded in writing by the Chair of the Discipline Tribunal,
2. complete the CICA Income Tax Practice Course, or other course approved by the CIC Chair, by June 30, 2009, and
3. have his tax practice conducted under the supervision of a chartered accountant approved by the Practice Review Committee until such time as the Practice Review Committee determines supervision is no longer required. Supervision would include the review of written tax opinions, tax returns, and elections, and any reorganizations or rollovers along with any required working papers, and, prior to filing, compliance with the recommendations of the supervisor.
4. pay a fine of \$10,000 and 100% of the costs of the investigation, hearing and compliance with the orders.



In addition to this notice, the Discipline Tribunal ordered:

1. notification 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 Garth Hart 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 Garth Hart applies for membership at any time following this order;
3. notice of the practice restriction, the nature of the conduct and orders made in connection therewith be provided
 - (a) to all chartered accountants by inclusion in the next general mailing from the Institute of Chartered Accountants of Alberta to chartered accountants, and
 - (b) to Garth Hart employer;
4. notice of the practice restriction, shall be published to all chartered accountants by an insertion once in the Membership Activity Report;
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 Garth Hart;
6. notices be published of the business sections of the *Grande Prairie Daily Herald Tribune*, the *Spruce Grove Examiner* and the *Edmonton Journal* of the fact of the restriction on Garth Hart accounting practice as a result of discipline proceedings and that more information can be obtained from the Institute.

Jude Corrin
Discipline Tribunal Secretary
April 7, 2009