



## **SUMMARY OF SANCTION AGREEMENT MEMBER A**

On May 16<sup>th</sup>, 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 his public accounting firm ('the Firm'), was guilty of unprofessional conduct between January 2011 and March 2013 with respect to his involvement in the engagements with Client A and Client B and companies P Inc. and Company Q, in having agreed to provide and/or provided:

- valuation services for P Inc. and Company Q, commencing in or around May 2011, with respect to a calculation of value as at the most recent year end;
  - personal tax services to Client A, up to and including the 2012 tax year;
  - personal tax services to Client B, up to and including the 2011 tax year;
  - accounting and corporate tax services to P Inc. and Company Q up to and including the December 31, 2011 year end;
  - updates and changes to the valuation as requested by Client A, during the period of May 2011 to March 2013; and
  - comments and/or recommendations regarding the draft separation agreement between Client A & B as outlined in a letter dated August 25, 2011 to a family mediator; although
- a) he failed to identify that a reasonable observer would conclude that the duty owed to Client A was in conflict with the duty owed to Client B, subsequent to their separation in or around January 2011;
- b) he failed to advise both parties what conflict management techniques would be used to manage the conflict; and
- c) he failed to obtain the written consent from both parties to proceed or continue with the engagements.

## **ORDERS**

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

1. a reprimand from the Chair;
2. completion within six months of this sanction agreement, a course or exam on conflict of interest;
3. payment of fines of \$2,500, within 60 days of the issuance of the statement of costs;
4. payment of costs of the investigation, the hearing and compliance with the orders, within 60 days of the issuance of the statement of costs, to a maximum of \$7,800;



## **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 order;
2. 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. 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 orders made as a result of the findings 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; and
7. if Member A fails to comply with the sanction agreement's sanctions within the time specified, the registration of Member A be cancelled.

## **Discipline Tribunal Secretary**