



FOUNDED 1879

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
ONTARIO
FORM 9A

THE CHARTERED ACCOUNTANTS ACT, 2010

TO: MANJIT S. LOTAY, (suspended)

AND TO: The Discipline Committee of CPA Ontario

The Professional Conduct Committee hereby makes the following Allegations of professional misconduct against MANJIT S. LOTAY, a suspended Member of CPA Ontario:

1. THAT the said Manjit S. Lotay, in or about the period March 1, 2014 through November 30, 2014, while engaged to perform an audit of the financial statements of "AP Inc." for the year ended March 31, 2014, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
 - (a) he failed to ensure adequate disclosure of related party transactions;
 - (b) he failed to disclose of a change in the amortization rate applied during the year in "Note 3 Product Registration Fees";
 - (c) he failed to document management approval of journal entries;
 - (d) he failed to ensure adequate disclosure of financial instruments;
 - (e) he failed to ensure the proper disclosure in the Statement of Cash Flows of the additions to and proceeds of disposal of fixed assets and the increase in deferred products registration fees; and
 - (f) he failed to ensure the adequate disclosure of the lease commitment.

2. THAT the said Manjit S. Lotay, in or about the period December 1, 2013 through August 31, 2014, while engaged to perform an audit of the financial statements of "HCMT&HC" for the year ended December 31, 2013, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
 - (a) he failed to ensure that his "Auditors' Report" was accurate and in the form prescribed by the *CICA Handbook*;

- (b) he failed to ensure the proper classification of the Balance Sheet item "Bond in trust 38,656";
 - (c) he failed to ensure the proper disclosure of the Balance Sheet item "Loan receivable 2,000";
 - (d) he failed to ensure the proper disclosure of the Balance Sheet item "Bank loan payable 21,698";
 - (e) he failed to ensure the disclosure of the reconciliation of the income tax shown in Note 7 related to the net loss for the year, to the applicable statutory income tax rate;
 - (f) he failed to document his discussion with the shareholders confirming the amount of the Balance Sheet item "Advances from shareholders (Note 5) 167,954" and that no payments would be required within a year; and
 - (g) he failed to ensure adequate disclosure of financial instruments.
3. THAT the said Manjit S. Lotay, in or about the period April 1, 2014 through November 30, 2014, while engaged to perform a review of the financial statements of "H&CC" for the year ended April 30, 2014, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
- (a) he failed to ensure adequate disclosure of related party transactions;
 - (b) he failed to ensure adequate disclosure in "Note 8 Automobile Loans Payable" and in "Note 9 Lease Payable";
 - (c) he failed to ensure adequate disclosure of financial instruments;
 - (d) he failed to ensure adequate disclosure of revenue recognition policies; and
 - (e) he failed to document enquiry, analysis and discussion performed to establish the plausibility of the allowance for doubtful accounts.
4. THAT the said Manjit S. Lotay, in or about the period April 1, 2014 through November 30, 2014 while engaged to perform a review of the financial statements of "CCS Inc." for the year ended April 30, 2014, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
- (a) he failed to adequately document enquiry, analysis and discussion performed to establish the plausibility of Balance Sheet item "Advance from shareholders

(Note 3) 138,512" and that the item isn't a current liability because of agreements that repayment will not be required within one year;

(b) he failed to disclose an automobile lease requiring annual payments of \$9,027 and the total amount of future payments on that lease in "Note 7 – Lease Obligations"; and

(c) he failed to document enquiry, analysis and discussion performed to establish the plausibility of Balance Sheet item "Gst payable 42,582".

Dated at Erin, Ontario, this 31st day of May, 2017



R. G. SIMON, CPA, CA, CHAIR
PROFESSIONAL CONDUCT COMMITTEE

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **MANJIT SINGH LOTAY**, a suspended member, under **Rule 206.1** of the Rules of Professional Conduct.

TO: Mr. Manjit Singh Lotay

AND TO: The Professional Conduct Committee

DECISION AND ORDER MADE OCTOBER 12, 2017

DECISION

The Discipline Committee, having heard an admission to Allegation Nos. 1, 2, 3 and 4, and having seen, heard and considered the evidence, finds:

THAT Allegation Nos. 1, 2, 3 and 4 have been established;

THAT Rule 206.1 of the Rules of Professional Conduct has been breached; and

THAT Majit Singh Lotay ("Mr. Lotay") has thereby committed professional misconduct.

ORDER

IT IS ORDERED in respect of the Allegations:

1. THAT Mr. Lotay be reprimanded in writing by the Chair of the Discipline tribunal.
2. THAT Mr. Lotay be and he is hereby fined the sum of \$5,000 to be remitted to CPA Ontario within twelve (12) months from the date this Order of the Discipline Committee is made.
3. THAT Mr. Lotay's practice be and is hereby restricted to non-assurance engagements, restricting him from performing audit or review engagements.
4. THAT notice of the Decision and Order, disclosing Mr. Lotay's name, be given in the form and manner determined by the Discipline Committee:
 - (a) to all members of CPA Ontario; and
 - (b) to all provincial bodies;and shall be made available to the public.

5. THAT notice of the restriction on practice disclosing Mr. Lotay's name, be given by publication on the CPA Ontario website and in an Etobicoke newspaper. All costs associated with the publication shall be borne by Mr. Lotay and shall be in addition to any other costs ordered by the Discipline Committee.
6. THAT in the event Mr. Lotay fails to comply with the requirements of this Order, he shall be suspended from membership in CPA Ontario until such time as he does comply, provided that he complies within thirty (30) days from the date of his suspension. In the event he does not comply within the thirty (30) day period, his membership in CPA Ontario shall thereupon be revoked, and notice of the revocation of his membership, disclosing his name, shall be given in the manner specified above, and in a newspaper distributed in the geographic area of Mr. Lotay's practice, employment or residence. All costs associated with this publication shall be borne by Mr. Lotay and shall be in addition to any other costs ordered by the committee.

AND IT IS FURTHER ORDERED:

7. THAT Mr. Lotay be and he is hereby charged costs fixed at \$18,000 to be remitted to CPA Ontario within twelve (12) months from the date this Decision and Order is made.

DATED AT TORONTO THIS 16TH DAY OF OCTOBER, 2017
BY ORDER OF THE DISCIPLINE COMMITTEE



DIANE WILLIAMSON
ADJUDICATIVE TRIBUNALS SECRETARY

**CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017**

DISCIPLINE COMMITTEE

IN THE MATTER OF: Allegations against **MANJIT SINGH LOTAY**, a suspended member of the Chartered Professional Accountants of Ontario, under **Rule 206.1** of the Rules of Professional Conduct, as amended.

BETWEEN:

**Chartered Professional Accountants of Ontario
Professional Conduct Committee**

-and-

Mr. Manjit Singh Lotay

APPEARANCES:

For the Professional Conduct Committee: Paul Farley, Counsel

For Manjit Singh Lotay: Manjit Singh Lotay, self-represented

Heard: October 12, 2017

Decision and Order effective: October 12, 2017

Release of written reasons: May 4, 2018

REASONS FOR THE DECISION AND ORDER MADE OCTOBER 12, 2017

I. OVERVIEW

- [1] Manjit Singh Lotay (“Mr. Lotay”) obtained his Chartered Accountant designation in 1989. Mr. Lotay practised in partnership with Ramminder Baweja (“Mr. Baweja”), under the name of Lotay and Baweja. At the relevant times, Mr. Lotay only maintained a small private accounting practice. Mr. Lotay had only 10 to 12 clients, and most of those were review or notice to reader matters. Only one or two involved audits.
- [2] Mr. Lotay was suspended as of January 25, 2017, due to his failure to pay his annual fees. At the time of the hearing, he did not hold a public accounting licence, and he no longer maintained an accounting practice. He was primarily involved in another business, PF Ltd., in conjunction with Mr. Baweja. This company was owned by their respective parents and produced a limited income for him given the financial demands of the company.
- [3] In the three years prior to his suspension, Mr. Lotay had done most of his continuing professional development in income tax updates.
- [4] Under section 5 of Regulation 10-1 of the Chartered Professional Accountants of Ontario

(“CPA Ontario”), practice inspectors appointed by CPA Ontario must inspect the practice of those members engaged in the practice of public accounting at least every three years to ensure that members are maintaining professional standards.

- [5] On February 4, 2013, the practice inspectors inspected Mr. Lotay’s practice and found issues related to his practice necessitating another review of his work before the next regularly scheduled review. The practice inspectors attended again on November 21, 2013, and identified more problems. On February 17, 2015, the practice inspectors attended again and identified more problems.
- [6] In a letter dated April 7, 2015, the Director of Practice Inspection wrote to Mr. Baweja, with a copy to Mr. Lotay, and indicated that the Practice Inspection Committee (“PIC”) noted that Mr. Lotay had taken little, if any, corrective action, to address the concerns of the practice inspectors. Given the ongoing nature of the deficiencies, the PIC referred the matter to the Professional Conduct Committee (“PCC”).
- [7] On May 3, 2017, the PCC laid four allegations against Mr. Lotay arising from the matters referred by PIC. It was alleged that Mr. Lotay failed to perform his professional services to the generally accepted standards of the profession, contrary to Rule 206.1 of the Rules. The allegations related to the presentation and disclosure of financial statements prepared by Mr. Lotay for four clients in relation to the 2013 or 2014 financial year. Counsel for PCC acknowledged that the allegations were not extremely serious allegations.
- [8] Mr. Lotay indicated that he was experiencing personal health issues, and, as a result, he admitted that there were errors in his accounting practice that amounted to professional misconduct in contravention of Rule 206.1.
- [9] The evidence before the panel consisted of the evidence of Mr. Raymond Harris, an investigator retained by the PCC. Mr. Harris, who had been a CA since 1953, was also qualified by the tribunal, with the consent of Mr. Lotay, as an expert in assurance engagements. Mr. Lotay also testified with respect to sanction only.
- [10] The tribunal found that Mr. Lotay committed professional misconduct when he failed to perform his professional services to the standard required by Rule 206.1 of the Rules with respect to the four assurance engagements in issue.

II. PRELIMINARY ISSUES

- [11] The hearing with respect to the allegations against Mr. Lotay was originally scheduled to proceed jointly with the hearing of allegations against Mr. Lotay’s former partner, Mr. Baweja. At the start of the hearing, Mr. Farley indicated that Mr. Baweja and Mr. Lotay wished to proceed with different responses to the allegations, and, accordingly, PCC asked to have the allegations against the two members heard separately. Neither Mr. Baweja nor Mr. Lotay opposed this request.
- [12] In making this request, the PCC relied on Rule 6.02 of CPA Ontario’s Rules of Practice and Procedure. This Rule authorized the tribunal, either on its own motion or the motion of a party, to divide a hearing into two or more hearings.

- [13] The panel was satisfied that the PCC request to proceed with a separate hearing for each of these members was reasonable because they took divergent positions (as they were entitled to do) and, given that both members consented to the order requested by PCC, the tribunal granted the order requested and divided the hearing.

III. ALLEGATIONS

- [14] At the hearing, the PCC made the following allegations of professional misconduct against Mr. Lotay:

1. THAT the said Manjit S. Lotay, in or about the period March 1, 2014 through November 30, 2014, while engaged to perform an audit of the financial statements of "AP Inc." for the year ended March 31, 2014, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
 - (a) he failed to ensure adequate disclosure of related party transactions;
 - (b) he failed to disclose of [sic] a change in the amortization rate applied during the year in "Note 3 Product Registration Fees";
 - (c) he failed to document management approval of journal entries;
 - (d) he failed to ensure adequate disclosure of financial instruments;
 - (e) he failed to ensure the proper disclosure in the Statement of Cash Flows of the additions to and proceeds of disposal of fixed assets and the increase in deferred products registration fees; and
 - (f) he failed to ensure the adequate disclosure of the lease commitment.
2. THAT the said Manjit S. Lotay, in or about the period December 1, 2013 through August 31, 2014, while engaged to perform an audit of the financial statements of "HCMT&HC" for the year ended December 31, 2013, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
 - (a) he failed to ensure that his "Auditors' Report" was accurate and in the form prescribed by the *CICA Handbook*;
 - (b) he failed to ensure the proper classification of the Balance Sheet item "Bond in trust 38,656";
 - (c) he failed to ensure the proper disclosure of the Balance Sheet item "Loan receivable 2,000";
 - (d) he failed to ensure the proper disclosure of the Balance Sheet item "Bank loan payable 21,698";
 - (e) he failed to ensure the disclosure of the reconciliation of the income tax shown in Note 7 related to the net loss for the year, to the applicable statutory income tax rate;
 - (f) he failed to document his discussion with the shareholders confirming the amount of the Balance Sheet item "Advances from shareholders (Note 5) 167,954" and that no payments would be required within a year; and

- (g) he failed to ensure adequate disclosure of financial instruments.
3. THAT the said Manjit S. Lotay, in or about the period April 1, 2014 through November 30, 2014, while engaged to perform a review of the financial statements of "H&CC" for the year ended April 30, 2014, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
- (a) he failed to ensure adequate disclosure of related party transactions;
 - (b) he failed to ensure adequate disclosure in "Note 8 Automobile Loans Payable" and in "Note 9 Lease Payable";
 - (c) he failed to ensure adequate disclosure of financial instruments;
 - (d) he failed to ensure adequate disclosure of revenue recognition policies; and
 - (e) he failed to document enquiry, analysis and discussion performed to establish the plausibility of the allowance for doubtful accounts.
4. THAT the said Manjit S. Lotay, in or about the period April 1, 2014 through November 30, 2014, while engaged to perform a review of the financial statements of "CCS Inc." for the year ended April 30, 2014, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, contrary to Rule 206.1 of the Rules of Professional Conduct, in that:
- (a) he failed to document enquiry, analysis and discussion performed to establish the plausibility of Balance Sheet Item "Advance from shareholders (Note 3) 138.512" and that the item isn't a current liability because of agreements that repayment will not be required within one year;
 - (b) he failed to disclose an automobile lease requiring annual payments of \$9,027 and the total amount of future payments on that lease in "Note 7 – Lease Obligations"; and
 - (c) he failed to document enquiry, analysis and discussion performed to establish the plausibility of Balance Sheet item "Gst payable 42,582".

[15] Mr. Lotay admitted each allegation and all of the particulars in those allegations.

IV. ISSUES

[16] The tribunal identified the following issue arising from the allegations:

- A. Did the evidence establish, on a balance of probabilities, the facts on which the particulars alleged by the PCC were based?
- B. If the particulars alleged by the PCC were established on the evidence on a balance of probabilities, did those particulars constitute professional misconduct?

V. DECISION

[17] Having considered all of the evidence, the admission by Mr. Lotay and the submissions

of counsel, the tribunal found that the evidence established on a balance of probabilities all of the particulars set out in the allegations of professional misconduct. Specifically, the tribunal concluded that Mr. Lotay failed to perform his professional services with respect to each of the four assurance engagements in issue in accordance with the generally accepted standards of the profession.

- [18] The tribunal was satisfied that the particulars alleged constituted a breach of Rule 206.1 of the Rules, and, having breached this Rule, Mr. Lotay had committed professional misconduct.

VI. REASONS FOR THE DECISION

Findings Regarding Conduct of Mr. Lotay

Allegation 1

- [19] PCC presented the financial statements of AP Inc., together with the signed audit report attached to them and also several work papers from the related audit file. Mr. Lotay admitted that he had signed this audit report and had released these financial statements to the company's Board. The tribunal determined that each of the particulars was proven on the evidence.
- [20] The term "affiliated" was used to describe the relationship of certain related parties with which material transactions occurred during the year and with which material balances were outstanding at the year end. This description was inadequate.
- [21] The financial statements did not disclose a change in the rate of amortization of Product Registration Fees which the expert evidence indicated was required. Evidence that management approved journal entries prepared during the course of the audit was not found in the work papers for this audit which is required by related standards.
- [22] Mr. Harris pointed out inadequacies in the disclosure of financial instruments of the company. The Statement of Cash Flows "netted" proceeds of disposal of investments in, and depreciation of fixed assets and deferred products registration fees, when each component should have been disclosed separately. A comparison of the lease commitment disclosure presented in the AP Inc. Financial Statements to the standards for such disclosure demonstrated that the disclosure was inadequate.

Allegation 2

- [23] PCC presented the financial statements of HCMT&HC, together with the signed audit report attached to them. Mr. Lotay admitted that he had signed this audit report. The tribunal determined that each of the particulars was proven on the evidence.
- [24] The Audit Report had been modified to indicate the possibility that there existed a going concern issue, but it was not in the form prescribed by the Handbook. The tribunal found this to be inadequate, based on Mr. Harris' comparison of the report to the reporting standards for such matters. An asset, "Bond in Trust", was classified on the HCMT&HC balance sheet with current assets, whereas the standards required that it should have been excluded from this classification on the balance sheet and also from current assets and cash on the Statement of Cash Flows.

- [25] Required disclosures for the item loan receivable were missing; only the amount outstanding and the current asset classification were obvious from the Balance Sheet. The Handbook required that assets pledged as security for loan payable be disclosed, but the bank loan payable item in the financial statements excluded such disclosures. While Note 7 drew the reader's attention to the fact that the effective income tax rate was not the same as the statutory rate, it failed to reconcile the two rates. It was therefore clear that the required disclosures for income tax were not achieved in these financial statements.
- [26] On the Balance Sheet, advances from shareholders were excluded from current liabilities, but the evidence demonstrated that there was no documentation contained in the work paper file of Mr. Lotay to support that shareholders had agreed not to ask for payment within twelve months from the balance sheet date. The evidence clearly showed that financial instruments were inadequately disclosed as the initial measure of fair value and subsequent measure were omitted.

Allegation 3

- [27] The tribunal received the financial statements of H&CC, together with the signed review engagement report attached to them, in evidence. Mr. Lotay admitted that he had signed this review engagement report. The tribunal determined that each of the particulars was proven on the evidence.
- [28] Particular (a) alleged inadequate related party disclosure. The tribunal found that in Note 16 it is disclosed that expense included rent of a material amount paid to a related party, but the financial statements did not adequately describe the nature of the relationship to the company of the related party.
- [29] The Balance Sheet included automobile loans and lease payable, but certain disclosures, such as lease payments required each year over the next 5 years or to maturity, were missing. These deficiencies were made clear by the evidence heard by the tribunal. The revenue recognition note referred to "sale", whereas the uncontradicted evidence demonstrated that a more robust description was required.
- [30] The evidence included a summary of allowance for doubtful accounts and a listing of bad debts from Mr. Lotay's work papers, but these work papers did not include evidence of any analysis or discussion to establish the plausibility of the bad debts and allowance recorded. The tribunal was satisfied that that such analysis was not included elsewhere in the work papers.

Allegation 4

- [31] The financial statements of CCS Inc., together with the signed review engagement report attached to them, were put into evidence. Mr. Lotay admitted he had signed this review engagement report. The tribunal determined that each of the particulars was proven on the evidence.
- [32] Advances from shareholders were excluded from the current liability classification. The tribunal was satisfied that there was no documentation in the work paper file of Mr. Lotay evidencing that the shareholders had agreed not to claim payment within one year from

the balance sheet date. The lease obligation note excluded disclosure of an automobile lease, which the evidence demonstrated was a continuing obligation of the company.

- [33] The evidence also established that the work papers of Mr. Lotay contained no evidence of the plausibility of GST payable recorded on the Balance Sheet, as was required by the standards.

Finding of Professional Misconduct

- [34] The evidence was cogent and compelling and clearly proved all of the allegations, and their included particulars, on a balance of probabilities. The tribunal also took into account Mr. Lotay's admission of the allegations.
- [35] The tribunal was satisfied that an investigation was initiated by PCC because the Practice Inspection process repeatedly, and over several years, found that Mr. Lotay failed to ensure adequate financial disclosures in financial statements he associated himself with and that he failed to ensure his work paper files contained required documentation of his audit or review procedure work. This pattern was troubling as it portended Mr. Lotay lacked that needed willingness to effect change in his method of practice and deepen his knowledge in order to achieve required disclosure and documentation standards. Consequently, the tribunal found the allegations to be proven and determined that Mr. Lotay had breached Rule 206.1 of the Rules of Professional Conduct.

VII. POSITION ON SANCTIONS

Position of the PCC

- [36] The PCC submitted that a sanction comprised of the following elements would be appropriate: a reprimand in writing; a fine in the amount of \$5,000; the restriction of Mr. Lotay's practice to prohibit him from handling assurance engagements; publicity of the decision in the ordinary course, including publication of the practice restriction in a local newspaper; and, the usual order regarding the consequences if there was non-compliance with the terms of the order.
- [37] The PCC also sought an order for the payment of costs, fixed in the amount of \$18,000. This represented approximately two-thirds of one half of the actual costs of \$56,000, incurred by the PCC in relation to the proceedings involving both Mr. Baweja and Mr. Lotay.

Position of Mr. Lotay

- [38] Mr. Lotay gave evidence with respect to sanction. He stated that he no longer practised public accounting because he did not have enough clients and could not put the necessary resources into his practice. He acknowledged in response to a question from counsel that he had stopped his public accounting practice after these allegations were made as he did not want his clients to be jeopardized.
- [39] Mr. Lotay asked in his submissions for more time to pay the costs and fines – he suggested 12 months. He also asked that the fine and costs be reduced since these amounted to almost as much as he had made in his practice. Finally, he asked that

publicity be limited to a local paper as he was not practising at the time of the hearing. The PCC opposed the request for more limited publication on the basis that the public needed to know that CPA Ontario was regulating its members.

VIII. REASONS FOR THE ORDER

- [40] A part time practice, or any reduced practice for whatever the reason, is no excuse for a substandard practice. The same high quality, the same fastidious attention to our standards and the same focus on protecting the public and providing value to those who rely on the services of a CPA, are consistently expected of our members.
- [41] CPA Ontario's mandate includes protecting the public by protecting the good name of our profession. The tribunal found no rationale to align the amount of any fines imposed with the fees produced from Mr. Lotay's practice, as he argued. The appropriate sanctions were to be determined by considering rehabilitation of the member, protection of the public and deterrence of the member and members at large. This does not change because the member is not putting all of his/her effort into his/her practice. A fine of \$5,000, an order to restrict Mr. Lotay's practice to exclude assurance, and a reprimand and order of publication all addressed the principles of sanction and were appropriate in this case.
- [42] The tribunal was sympathetic to Mr. Lotay's financial circumstances and did not wish to make an order that he would not be able to comply with. The tribunal hoped Mr. Lotay would be able to follow a path that returns him to membership in a capacity that is consistent with his professional aspiration. Putting an insurmountable roadblock in his way would be counterproductive to this intention. Consequently, the tribunal provided the time Mr. Lotay indicated that he would need to comply.

IX. REASONS FOR THE COSTS ORDER

- [43] The tribunal accepted the costs outline that was presented by PCC for both Mr. Lotay and Mr. Baweja. Consequently, in considering the appropriate costs to charge to Mr. Lotay, the tribunal considered that one half of the costs contained in the outline were applicable to establishing the allegations against Mr. Lotay. The cooperation of Mr. Lotay was recognized by the tribunal.
- [44] Taking everything into consideration, the tribunal determined that ordering Mr. Lotay to reimburse \$18,000 in costs within 12 months was appropriate.

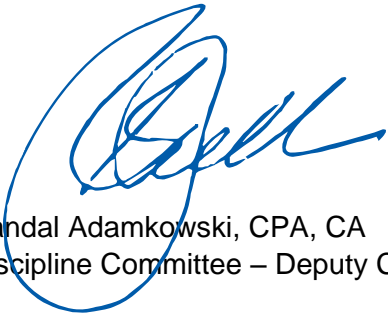
X. ORDER

- [45] The tribunal ordered that:
- Mr. Lotay be reprimanded in writing by the Chair of the tribunal
 - He be fined \$5,000, to be paid to CPA Ontario within 12 months of the tribunal's order

- Mr. Lotay's practice be restricted to non-assurance work
- The decision be published in the usual manner to all members of CPA Ontario and all provincial regulatory bodies and be made available to the public
- Notice of the Decision and Order be published in a paper circulating in Etobicoke and on CPA Ontario's website
- If Mr. Lotay did not comply with the order, that he be suspended for 30 days, and, if he still did not comply with the order, his membership be revoked.

[46] The tribunal also ordered that Mr. Lotay pay costs in the amount of \$18,000 to CPA Ontario within twelve months of the date of the order.

Dated at Toronto this 4th day of May, 2018



Randal Adamkowski, CPA, CA
Discipline Committee – Deputy Chair

Members of the Tribunal

David Knight, FCPA, FCA
Salim Somani, CPA, CA
Barry Solway (Public Representative)

Independent Legal Counsel

Glenn Stuart
Stuart Law