

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

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** Allegations against **MICHAEL MAJEED, CPA, CMA**, a Member of CPA Ontario, under section 3.1 (c) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations.

**TO:** Michael Majeed, CPA, CMA

**AND TO:** The Professional Conduct Committee

**DECISION AND ORDER MADE MAY 27, 2020**

**DECISION**

The Allegations that Michael Majeed has breached section 3.1 (c) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations are established, and he has committed professional misconduct.

**ORDER**

IT IS ORDERED THAT:

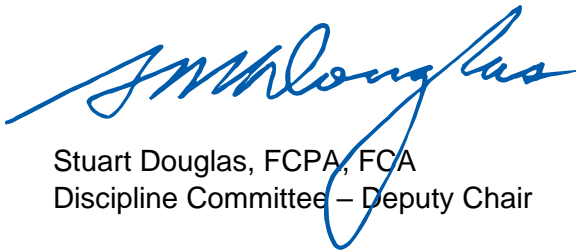
1. Michael Majeed be reprimanded in writing by the Chair of the hearing;
2. Michael Majeed shall pay a fine of \$75,000 to the Chartered Professional Accountants of Ontario ("CPA Ontario") by December 31, 2023;
3. Michael Majeed is not eligible to apply for admission or re-admission to CPA Ontario, but may apply to have this condition reconsidered pursuant to Regulation 6-2, sections 24-29 following the expiration of 5 years from the date of this Order;
4. Notice of this Decision and Order, disclosing Michael Majeed's name, is to be given in the form and manner determined by the Discipline Committee:
  - (a) to all members of CPA Ontario;
  - (b) to all Provincial bodies;and shall be made available to the public;

5. Notice of the revocation of Michael Majeed's membership, disclosing his name, is to be given by publication in the National Post newspaper. Michael Majeed shall pay all costs associated with the publication, which shall be in addition to any other costs ordered by the Panel.

AND THAT:

6. Michael Majeed shall pay costs of \$5,100 to CPA Ontario by, December 31, 2023.

**DATED** at Toronto this 27<sup>th</sup> day of May 2020.



Stuart Douglas, FCPA, FCA  
Discipline Committee – Deputy Chair

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

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** Allegations, as amended, against **MICHAEL MAJEED**, a former member of CMA Ontario, now the Chartered Professional Accountants of Ontario, under section 3.4(b) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations.

**BETWEEN:**

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

**-and-**

**Michael Majeed**

**APPEARANCES:**

**For the Professional Conduct Committee:** Julia McNabb, Counsel

**For Mr. Majeed:** Amandeep Dhillon, Counsel

Heard: May 27, 2020

Decision and Order effective: May 27, 2020

Release of written reasons: August 7, 2020

**REASONS FOR THE DECISION AND ORDER MADE MAY 27, 2020**

**I. OVERVIEW**

- [1] This hearing is about whether the allegations that in or about the periods of October 1, 2010 to December 31, 2012 and in or about the periods of June 1, 2012 to August 9, 2013 (respectively), Mr. Majeed committed acts discreditable to the profession contrary to section 3.4(b) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations when he was convicted of conduct relating to participation in a fraudulent scheme and knowingly providing false documentation to a mortgage broker (respectively), were established. The Panel also considered whether such conduct amounts to professional misconduct.

- [2] Mr. Majeed obtained his CMA designation in January 2009.
- [3] On July 23, 2013, a complaint was submitted to CMA Ontario advising that Mr. Majeed had been charged with a number of criminal charges in relation to a multi-million dollar fraudulent scheme. Those charges included multiple counts of fraud over \$5000, attempted fraud over \$5000, money laundering and possession of proceeds of crime. Shortly after being advised of the complaint against him, on August 9, 2013, Mr. Majeed advised CMA Ontario of his decision to resign his CMA Ontario membership. While his resignation was ultimately accepted, it did not preclude CMA Ontario from initiating disciplinary proceedings against Mr. Majeed. The complaint was subsequently held in abeyance until the completion of the criminal charges.
- [4] On June 15, 2015, Mr. Majeed was convicted by Mr. J. Brownstone of the Ontario Court of Justice of obtaining credit by false pretences and knowingly causing an individual to act upon forged documents. That same day, Mr. Majeed was sentenced to a 6 month conditional sentence and a probationary period of 12 months. Mr. Majeed appealed the decision.
- [5] On October 5, 2017, Mr. Majeed was convicted of 19 criminal charges relating to a fraudulent scheme by Mr. J. Nakatsuru of the Superior Court of Justice, Toronto. On December 15, 2017, Mr. Majeed was sentenced to a four year custodial sentence. The sentence also included a restitution order in the amount \$593,132 and a fine of \$663,042 in lieu of forfeiture. Mr. Majeed appealed the decision.
- [6] On May 2, 2019, the appeal relating to the June 15, 2015 convictions was dismissed by the Ontario Court of Appeal. On May 16, 2019, the appeal relating to the October 5, 2018 convictions was also dismissed by the Ontario Court of Appeal. Neither decision of the appellate court was appealed by Mr. Majeed. On July 9, 2019, the Professional Conduct Committee (PCC) moved to bring allegations of professional misconduct against Mr. Majeed.
- [7] The onus was on the PCC to show on a balance of probabilities that, having been convicted of criminal offences rooted in dishonesty, Mr. Majeed committed acts discreditable to the profession, thereby breaching section 3.4(b) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations, and that such conduct constituted professional misconduct.

## **II. PRELIMINARY ISSUES**

- [8] Mr. Majeed had advised CMA Ontario of his intention to resign his CMA Ontario Membership in August of 2013. CMA Ontario acknowledged Mr. Majeed's resignation, noting that the resignation did not preclude the initiation of disciplinary action.
- [9] In the Statement of Fact, Mr. Majeed did not dispute that pursuant to s.22(1) of the Chartered Professional Accountants of Ontario Act, 2017, despite his resignation, he remained subject to the continuing jurisdiction of the Chartered Professional Accountants of Ontario (CPA Ontario) in respect of this disciplinary hearing which relates to his conduct

while a member of CPA Ontario, or of its legacy body, specifically CMA Ontario.

[10] The Panel found it had the requisite jurisdiction to consider this matter.

### **III. ISSUES**

[11] Mr. Majeed did not dispute the findings of fact as set out in the Statement of Fact and Document Brief (Exhibit 1). Mr. Majeed also did not dispute that the findings of fact contained in the Reasons for Judgment of Mr. J. Nakatsuru, dated October 5, 2017 and the Reasons for Judgment of Mr. J. Brownstone, dated June 15, 2015 established breaches of section 3.4(b) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulations of August 2011 and predecessor Regulation and that such conduct constitutes professional misconduct.

[12] The Panel identified the following issues:

- A. Did the evidence presented 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 presented, on a balance of probabilities, did the particulars constitute professional misconduct?

### **IV. DECISION**

[13] The Panel found that the evidence presented by the PCC by way of the Statement of Fact and the supporting materials found in the Document Brief did establish, on a balance of probabilities, that in or about the period of October 1, 2010 to December 31, 2012, and in or about the period of June 1, 2012 to August 9, 2013, Mr. Majeed committed acts discreditable to the profession, contrary to section 3.4(b) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations when he participated in a fraudulent scheme as described in the Reasons for Decision by Mr. J. Nakatsuru and when he knowingly provided false documentation to a mortgage broker as described in the Reasons for Decision by Mr. J. Brownstone, respectively.

[14] The Panel was satisfied that the conduct constituted breaches of section 3.4(b) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations and, having breached this section, Mr. Majeed had committed professional misconduct. The Panel also accepted Mr. Majeed's statement and plea acknowledging that he had committed professional misconduct.

## V. REASONS FOR THE DECISION

### *Findings regarding Conduct of Mr. Majeed*

- [15] By way of evidence, Ms. McNabb filed the Statement of Fact and Document Brief (Exhibit 1) which had been executed by both Ms. McNabb on behalf of the PCC and by Mr. Majeed on his own behalf on May 21, 2020.
- [16] Mr. Majeed did not dispute the facts as set out in the Statement of Fact.
- [17] Mr. Majeed also did not dispute that the Panel was entitled, pursuant to Rule 19.07 of the CPA Ontario Rules of Practice and Procedure, to accept, as proof, the findings of fact made in the Reasons for Judgment and for Sentence of Mr. J. Nakatsuru (found at Tabs 2 and 4 of the Document Brief, Exhibit 1) and of Mr. J. Brownstone (found at Tabs 7 and 8 of the Document Brief, Exhibit 1).

#### *i) 2010 to 2012 multi-million dollar fraud*

- [18] On July 11, 2013, Mr. Majeed was charged by Toronto Police Services with a number of criminal offences, including multiple counts of fraud over \$5000, attempted fraud over \$5000, money laundering and possession of proceeds of crime.
- [19] In May and June 2017, Mr. Majeed appeared in the Superior Court of Justice for a trial before Mr. J. Nakatsuru. On October 5, 2017, Mr. Majeed was convicted of 19 of the charges before the Court.
- [20] According to the findings set out in the Reasons for Judgment of Mr. J. Nakatsuru, Mr. Majeed had been engaged in a large scale and sophisticated multi-million dollar fraud seeking and obtaining lines of credit or loans from financial institutions on behalf of fictitious businesses from 2010 to 2012.
- [21] In the Court's Reasons for Sentence, the Court found:

Mr. Majeed committed not just one offence but a series of them. Even when the banks stopped the line of credit, Mr. Majeed continued to seek more fraudulent opportunities. He was, as noted by the Crown, motivated by that greed.

(Document Brief (Exhibit 1): Tab 4: Reasons for Sentence transcript, page 76, lines 13 to 17)
- [22] Mr. Majeed's role in the scheme was to act in a role akin to a bookkeeper/accountant for the majority of the fictitious businesses involved. The Court found that Mr. Majeed played an instrumental role in convincing the lenders to provide funds by contacting the lender, preparing and providing the relevant documentation and acting as liaison between the fictitious businesses and the lenders. In most instances, Mr. Majeed prepared falsified Review Engagement Reports, or Notices to Readers on behalf of the fictitious businesses.
- [23] Individuals were recruited to portray the owners of the fictitious businesses. These individuals were provided advice by Mr. Majeed and/or his co-conspirators on how to perform their false roles. False government and business documents were produced. In all but one instance, the bank representatives attended the subject business for a site visit.

The fictitious business owner, along with Mr. Majeed (and often other involved individuals would also attend) were present during the site visit. They caused the bank representative to believe that they operated a legitimate functioning business.

- [24] The Court found, and Mr. Majeed did not dispute before the Panel, that he was involved at the highest level of the scheme and that he was integral to the planning and execution of the frauds. As noted by Mr. J. Nakatsuru in his Reasons for Sentence:

Mr. Majeed's background as a financial planner and a chartered accountant without doubt played a role in figuring out and executing these frauds successfully against these financial institutions.

...his high degree of involvement is reflected in his dealings with the banks and other financial institutions. As I said, his role was integral. He was the financial guy who often started the contact with the lender and then played a central role in convincing them to provide the monies. He answered the financial questions. He was the one ultimately that played a significant role in convincing the lenders that it was safe to lend the monies to the bogus businesses.

(Document Brief (Exhibit 1): Tab 4: Reasons for Sentence transcript, pages 71 to 72, lines 30 to 32 and 1 to 2; pages 72 to 73, lines 29 to 32 and 1 to 6)

- [25] While initially Mr. Majeed used his real name on a number of the earlier occurrences to perpetrate the fraud, in most instances he used an alias. He used false business cards, email addresses and cell phone accounts associated with the aliases while corresponding with the lender.
- [26] His background and training as a CMA played a role in executing the frauds against the financial institutions successfully. As noted by Mr. J. Nakatsuru in his Reasons for Sentence:

...I have no doubt (Mr. Majeed) used his knowledge and background in executing these offences. Mr. Majeed, in other words, used the very skills and experience he had gained in his training, which originally should have been utilized for the financial benefit of others and society at large, to help him commit these offences. His moral compass when committing these offences was fundamentally at odds with the principles his profession is built upon. This, then, reflects the high degree of his responsibility.

(Document Brief (Exhibit 1): Tab 4: Reasons for Sentence transcript, page 72, lines 7 to 16)

- [27] The Court found that Mr. Majeed was involved in 17 occurrences of the fraudulent scheme which spanned a two year period. In four of those occurrences, the line of credit/loan was not advanced. In all other occurrences, the scheme was successful and the sought after line of credit/loan was advanced. As noted by the Court:

...the values of the monies attempted to be secured was over eight million dollars. The funds actually secured was 2.7 million dollars. The losses initially suffered was two million dollars. The outstanding loss remains at 1.7 million dollars. The amount of money that was alleged to be in Mr. Majeed's actual possession at some point was approximately 600,000.

(Document Brief (Exhibit 1): Tab 4: Reasons for Sentence transcript, page 71, lines 10 to 17)

[28] On December 15, 2017, Mr. Majeed was sentenced to a four-year custodial sentence. His sentence included a \$593,132 restitution Order and a fine in the amount of \$663,042 in lieu of forfeiture.

[29] In considering remorse on the issue of penalty, the Court found:

...I find, based upon the whole of the evidence here, that there is little remorse expressed by Mr. Majeed for committing these offences. Again, I repeat, this is not aggravating but the lack of remorse does not obviously mitigate the sentence and the lack of remorse calls for a sentence that will specifically deter Mr. Majeed.

Mr. Majeed committed not just one offence but a series of them. Even when the banks stopped the line of credit, Mr. Majeed continued to seek more fraudulent opportunities. He was, as noted by the Crown, motivated by that greed.

...

There is, in my view, a real potential, given the nature and number of the offences and Mr. Majeed's lack of remorse that despite the potential for rehabilitation, that Mr. Majeed will commit such similar offences in the future. Therefore, specific deterrence is a real concern in this case.

(Document Brief (Exhibit 1): Tab 4: Reasons for Sentence transcript, page 76, lines 5 to 27)

[30] Mr. Majeed filed a Notice of Appeal of conviction and of sentence with the Ontario Court of Appeal. On May 16, 2019, the appeal was dismissed. Mr. Majeed did not appeal the Court of Appeal's decision.

*ii) 2012 to 2013 – Obtaining Credit by False Pretences, Forgery and Failure to Comply Recognizance*

[31] In October 2013, Mr. Majeed was arrested and charged with obtaining credit by false pretences, forgery and two counts of fail to comply with recognizance. These charges were not part of the complaint that was submitted to CMA Ontario in July 2013.

[32] On June 15, 2015, following a three-day trial in the Ontario Court of Justice, before Mr. J. Brownstone, Mr. Majeed was found guilty of obtaining credit by false pretences and forgery.



- [33] The Court found, and Mr. Majeed did not dispute before this Panel, that in 2012 Mr. Majeed contacted a mortgage broker in order to secure mortgage funds to finance the purchase of a new home. The actual purchasers were Mr. Majeed's father and Mr. Majeed's sister, however the entire transaction was conducted by Mr. Majeed on their behalf.
- [34] For more than a one year period, Mr. Majeed exchanged numerous emails with the mortgage broker relating to every aspect of the mortgage transaction. The focus of the communications was to satisfy the mortgagee that the mortgagors would have sufficient income to pay the monthly payments.
- [35] During the course of these exchanges, Mr. Majeed provided the broker with two falsified rental agreements relating to two properties his sister owned in order to give the impression that his father and his sister had sufficient income to qualify for the \$643,000 mortgage.
- [36] In considering the appropriate sentence to impose upon Mr. Majeed, the Court noted:
- ...this was not an impulsive act; it was planned and deliberate, it was an offence conducted over an extended period of time. That is certainly an aggravating factor. This was a sophisticated fraud involving forged documents.
- (Document Brief (Exhibit 1): Tab 8: Reasons for Sentence transcript, page 40, lines 20 to 25)
- [37] While Mr. J. Brownstone found that there had been no financial loss to the mortgage company given the fraud had been detected early and the money had been recovered once the home was sold, he noted that the mortgage company expended both time and resources to investigate the matter.
- [38] When considering the submissions of counsel for Mr. Majeed who asked that the Court impose a conditional discharge upon Mr. Majeed, the Court stated:
- Mr. Majeed's reasons for wanting a discharge, so that he can work in the financial industry, actually raise alarm in terms of the important sentencing principle of protection of the public. Simply stated, no one who perpetrates a major fraud on a financial institution should expect to have a career in the financial industry.
- (Document Brief (Exhibit 1): Tab 8: Reasons for Sentence transcript, page 45, lines 23 to 30)
- [39] On July 14, 2015, Mr. Majeed was sentenced to a 6 month conditional sentence, including a 3 month period of house arrest, as well as a 12 month period of probation.
- [40] Mr. Majeed proceeded to appeal this conviction. On May 2, 2019, Mr. Majeed's appeal on this matter was dismissed by the Ontario Court of Appeal. Mr. Majeed did not appeal the Court of Appeal's decision.
- [41] Mr. Majeed did not dispute that the findings of fact contained in the Reasons for Judgment by Mr. J. Nakatsuru, dated October 5, 2017 and Mr. J. Brownstone, dated June 15, 2015 established breaches of section 3.4(b) of the CMA Ontario Professional Misconduct and

Code of Professional Ethics Regulation of August 2011 and predecessor Regulations. Mr. Majeed did not dispute that such breaches constitute professional misconduct.

- [42] Based on the clear, cogent and convincing evidence presented by the Professional Conduct Committee, the Panel concluded that Mr. Majeed had committed acts discreditable to the profession when he was convicted of having participated in a fraudulent scheme as described in the Reasons for Judgment of Mr. J. Nakatsuru and when he was convicted of knowingly providing false documentation to a mortgage broker as described in the Reasons for Judgment of Mr. J. Brownstone.
- [43] The Panel found that Mr. Majeed's conduct breached section 3.4(b) of the CMA Ontario Professional Misconduct and Code of Professional Ethics Regulation of August 2011 and predecessor Regulations and having breached the section, the Panel concluded that Mr. Majeed had committed professional misconduct.

## **VI. SANCTIONS**

### *Position of the Parties*

- [44] Ms. McNabb, on behalf of the PCC submitted that the appropriate sanction in a case such as this required: a written reprimand from the Chair; a fine in the amount of \$75,000 ; an order prohibiting Mr. Majeed from seeking admission or re-admission to CPA Ontario until after the expiration of 5 years from the date of the order; and full publicity of the Decision and Order of this Panel to all members of CPA Ontario, all Provincial bodies, and notice of this Decision and Order to be published in the National Post, with the costs of such publicity being borne by Mr. Majeed.
- [45] The PCC argued that in light of the egregious nature of the conduct, an appropriate sanction would be one akin to revocation. Such a penalty would effectively send a strong message to the profession and the public that such criminal and unethical conduct will not be tolerated by CPA Ontario. The PCC argued that in matters of dishonesty and moral turpitude, general deterrence gives way to specific deterrence and rehabilitation.
- [46] In response to Mr. Majeed's submission that sanctions imposed should be considered globally and in light of the criminal sanctions imposed, the PCC argued that these proceedings were independent of the criminal proceedings. Ms. McNabb argued that the restitution order imposed by the criminal court is intended to make the victim whole, whereas a fine imposed by this Panel is intended to address specific and general deterrence and represents a denunciation of the member's conduct.
- [47] Mr. Majeed took issue with only two of the sanctions proposed by the PCC, namely the quantum of the fine and the amount of time to pay the fine. Mr. Majeed argued an appropriate fine in this matter would be in the amount of \$20,000 to \$30,000. In addition to referring the Panel to a number of cases which Mr. Majeed argued supported the imposition of a fine in the amount of \$20,000 to \$30,000, Mr. Majeed asked that the Panel consider a number of mitigating facts, including that Mr. Majeed had been convicted and punished for conduct which was the subject of this disciplinary proceeding; that Mr. Majeed is currently in the process of making restitution for the misappropriated funds

which would leave him with approximately \$200,000 to be paid in restitution by December 2023, failing which he will be incarcerated for a further 3 years; Mr. Majeed cooperated by not contesting the allegations before this Panel and that by doing so, he is prepared to accept the consequences and finally, it was submitted that Mr. Majeed had made significant progress in his re-introduction and rehabilitation into the community.

- [48] Mr. Majeed's counsel urged the Panel to consider this proceeding and the sanctions ordered as part of a "global package of penalty", as opposed to seeing the sanctions imposed by CPA Ontario as "stand alone" sanctions. He urged the Panel to see the sanctions imposed within the context of the other sanctions imposed upon Mr. Majeed.
- [49] Mr. Majeed also requested that he be given five years to pay the fine, aligning with the period of time within which Mr. Majeed would be prohibited from seeking admission or re-admission to CPA Ontario. Mr. Majeed offered some information relating to his current income and expenses, arguing that the repayment of the fine would be challenging in light of his inability to engage in the profession from which he had resigned.
- [50] Finally, Mr. Majeed argued that costs in the amount of \$3,500, given his cooperation, would be appropriate and requested 5 years to pay.
- [51] Both the PCC and Mr. Majeed filed a number of cases relating to sanction which were considered by the Panel.

#### *Decision of the Panel*

- [52] In considering the PCC's submissions, the Panel considered whether the sanctions proposed were within the range of reasonable sanctions for similar misconduct and whether the sanctions were contrary to the public interest.
- [53] The Panel considered the facts of the criminal activity and conviction of Mr. Majeed when considering the appropriate quantum of a fine. Mr. Majeed, through fraudulent misrepresentations and activity, secured \$2.7 million from banks and financial institutions through 17 transactions; he used several aliases to obtain these funds; he attempted to procure more than \$8 million through his fraudulent activities; he was the primary liaison with the institutions, utilizing false identities; and, equally egregious were the circumstances regarding his fraudulent activity to procure mortgage financing for his sister and father. Furthermore, Mr. Majeed used his CMA designation to sign false and misleading financial statements that the financial institutions relied upon when considering their loans to companies fronted by Mr. Majeed. The Panel found his actions to be egregious, carefully planned and executed, and executed without remorse for the victims or the public at large.
- [54] In considering the appropriate quantum of fine, the Panel considered the arguments of both the PCC and of Mr. Dhillon on behalf of Mr. Majeed. The Panel, in its deliberations, considered whether the fine of \$75,000 being sought by PCC was in fact adequate.
- [55] Mr. Dhillon and Mr. Majeed asked that consideration be given to the quantum of fines that Mr. Majeed was paying in the criminal proceedings and to consider the inclusion of this

fine as part of a global payment and therefore to reduce the fine to a level of \$20-30,000. The Panel viewed the two proceedings as mutually independent, that a proper and defined message needed to be given to the members and to the public.

- [56] The Panel ultimately determined that given the facts before them that \$75,000 was an appropriate fine. A fine of this quantum would act as a specific deterrence to the members at large and, would serve as a notice to the public that activity such as Mr. Majeed's is not, and will not be tolerated or accepted by CPA Ontario.
- [57] The time to pay the fine requested by PCC (specified in its costs submission) was 12 to 18 months. Mr. Majeed requested that he be given 5 years to pay, thereby coinciding with the sanction that prohibits Mr. Majeed from applying for admission or re-admission to CPA Ontario until the expiration of 5 years from the date of this Panel's Order. Mr. Dhillon also referred to Mr. Majeed's legal obligation under the terms of the restitution order as a further reason to grant a 5 year period within which to pay the fine. Mr. Majeed has until December 31, 2023 to comply with the terms of the restitution order. A failure to pay the restitution could result in further incarceration. The Panel considered the submissions made by both parties on the issue of time to pay and set a date that coincided with the restitution order, December 31, 2023, as the time to pay both the fine and the costs.
- [58] Notice in the ordinary course was required in order that the deterrent message could be conveyed to other members and to the public. In addition, given the egregious nature of the conduct of Mr. Majeed, publication of the Decision in the National Post, with costs to be borne by Mr. Majeed, was also ordered. This would also act a deterrent to the members and convey to the public the serious nature of Mr. Majeed's conduct.
- [59] A written reprimand from the Chair serves to convey directly to Mr. Majeed the seriousness of his conduct and to reiterate the inappropriateness of his behaviour.
- [60] The sanctions imposed by the Panel take into consideration the sentencing principles of general and specific deterrence, as well as rehabilitation.

## **VII. REASONS FOR THE SANCTIONS**

- [61] Mr. Majeed obtained his accounting (CMA) designation in 2009. A year later he was the mastermind in an extensive and comprehensive fraud that swindled financial institutions out of millions and attempted to take them for millions more. It is difficult to imagine a more egregious series of actions, or one more calculated to drag the reputation of the profession and every member of it through the mud.

- [62] This was not a case of taking one step off the straight and narrow, and having events spiral out of control. This was a premeditated, sophisticated scheme that involved fictitious companies, aliases, fake financial statements, lies stacked upon lies. That Mr. Majeed was a CMA is not incidental to his criminal activities; rather, it is what gave him the knowledge and credentials to carry out his offences.
- [63] The CPA profession exists only by virtue of the public trust in it. Every day, in every matter they handle, CPAs place their word, their integrity on the line, expecting the public to trust in them. It is a trust that has been earned over many decades of exemplifying the highest standards and ethics. It is a trust that has been shaken to the core by Mr. Majeed's greed and lack of morals.
- [64] We denounce his actions in the strongest possible terms and, had he not resigned his membership when the fraud was first uncovered, we would have had no hesitation in revoking his membership. Mr. Majeed has comprehensively demonstrated he does not deserve to be a member of this profession and, equally important, this profession cannot and will not be tainted by his presence within it. We can only hope that the publication of order in the same newspaper that published his crimes will go a short distance towards restoring public faith in our profession.
- [65] Even as his attempts to steal \$8 million were winding down, he concocted a further fraud, lying and creating forged documents to trick lenders into giving his family members mortgages. This mortgage fraud would, if it stood alone, warrant revocation. It is dwarfed only by the audacity and immensity of his initial scheme and should attract perhaps an even higher fine than that sought by the PCC. Given the totality of the sanctions, we have, after consideration, decided the quantum proposed is sufficient, barely, to express the deterrent and denunciatory aspects of the sanction.
- [66] In even the worst of offences and offenders, rehabilitation must be considered, and we have done so. The nature of Mr. Majeed's actions and their potential impact on the profession require that his rehabilitation take place outside the profession. He will have the opportunity, should he wish it, to attempt to persuade a future tribunal, after the passage of at least five years, that he is competent and has found integrity and will act, without fail, ethically, and that the reputation of the profession can withstand his re-entry into it.

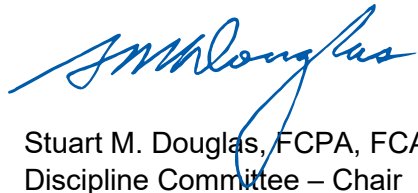
## **VIII. COSTS**

- [67] Costs are imposed as an indemnity, not as an additional fine. The PCC presented a Costs Outline and invited the Panel to order costs on a partial indemnity basis, or two thirds of the total costs incurred, in the amount of \$5,500 with 12-18 months to pay.
- [68] Mr. Majeed argued costs should be ordered in the amount of \$3,500. Mr. Majeed requested a reduction to coincide with his request for a fine reduction. This request was not considered appropriate by the Panel. Costs are not part of the sanction but are intended to defray a portion of the expense of the investigation, prosecution, and adjudication of Mr. Majeed's misconduct. It is appropriate that the person whose misdeeds required the expenses, rather than the membership as a whole, bear at least a

portion of those expenses, and Mr. Majeed raised no compelling argument for the Panel to deviate from that position.

[69] As the PCC's Cost Outline included the cost of a court reporter – which was not needed in light of the recording that accompanied the electronic hearing, the Panel decreased costs by \$400, ordering costs to be paid by Mr. Majeed in the amount of \$5,100 to be paid by December 31, 2023.

**DATED** at Toronto this 7th day of August, 2020



Stuart M. Douglas, FCPA, FCA  
Discipline Committee – Chair

Members of the Panel

Paul Busch, CPA, CA  
Jeremy Cole, CPA, CA  
Rebecca Huang (Public Representative)  
Gary Katz, CPA, CA

Independent Legal Counsel  
Nadia Liva, Barrister & Solicitor