



## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

**TO:** PATRICK J. WHITTAKER, (suspended)

**AND TO:** The Discipline Committee of the Chartered  
Professional Accountants of Ontario

The Professional Conduct Committee hereby makes the following Allegations of professional misconduct against Patrick J. Whittaker, CPA, CA, a suspended member of CPA Ontario:

1. THAT the said Patrick J. Whittaker, in or about the period November 1, 2009 through June 30, 2010, while President, CEO, sole director and sole shareholder of "RE Inc." associated himself with margin calculations provided to Bank 1 which significantly overstated the value of the accounts receivable and which he knew or ought to have known were false or misleading contrary to Rule 205 of the Rules of Professional Conduct.
2. THAT the said Patrick J. Whittaker, in or about the period October 1, 2011 through June 30, 2012, while President, CEO, sole director and sole shareholder of "RE Inc." associated himself with margin calculations and other financial information provided to Bank 2 which significantly overstated the value of the accounts receivable and other assets and which he knew or ought to have known were false or misleading contrary to Rule 205 of the Rules of Professional Conduct.

Dated at Toronto, Ontario this 29<sup>th</sup> day of December, 2016

  
P. FARKAS, CPA, CA – DEPUTY CHAIR  
PROFESSIONAL CONDUCT COMMITTEE

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

**IN THE MATTER OF:** Allegations against **PATRICK JAMES WHITTAKER**, a suspended member, under **Rule 205** of the Rules of Professional Conduct, as amended.

**TO:** Mr. Patrick J. Whittaker

**AND TO:** The Professional Conduct

**DECISION AND ORDER MADE MAY 25, 2017**

**DECISION**

THAT having seen and considered the evidence, including the agreed statement of facts, filed, and Patrick James Whittaker (Mr. Whittaker) having admitted Allegation Nos. 1 and 2, the Discipline Committee finds that the allegations have been established, Rule 205 has been breached and Mr. Whittaker has committed professional misconduct.

**ORDER**

IT IS ORDERED in respect of the Allegations:

1. THAT Mr. Whittaker be reprimanded in writing by the Chair of the hearing.
2. THAT Mr. Whittaker be and he is hereby fined the sum of \$10,000, to be remitted to the Chartered Professional Accountants of Ontario (CPA Ontario') within thirty-six (36) months from the date his membership in CPA Ontario is reinstated or by December 31, 2020, whichever occurs first.
3. THAT notice of this Decision and Order, disclosing Mr. Whittaker's name, 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.
4. THAT in the event Mr. Whittaker 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. Whittaker's practice, residence or employment. All costs associated with this publication shall be borne by Mr. Whittaker and shall be in addition to any other costs ordered by the committee.

IT IS FURTHER ORDERED:

5. THAT Mr. Whittaker be and he is hereby charged costs fixed at \$28,000, to be remitted to CPA Ontario) within thirty-six (36) months from the date his membership in CPA Ontario is reinstated or by December 31, 2020, whichever occurs first.

DATED AT TORONTO THIS 30th DAY OF MAY 2017  
BY ORDER OF THE DISCIPLINE COMMITTEE

A handwritten signature in cursive script, appearing to read "D Williamson".

DIANE WILLIAMSON  
ADJUDICATIVE TRIBUNALS SECRETARY

*As a result of his failure to comply with the terms of this Order, Mr. Whittaker's membership with CPA Ontario was revoked, effective September 4, 2020*

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

**IN THE MATTER OF:**       Allegations against **PATRICK JAMES WHITTAKER**, a  
suspended member, under **Rule 205** of the Rules of  
Professional Conduct, as amended.

**TO:**                       Mr. Patrick J. Whittaker

**AND TO:**               The Professional Conduct

**REASONS  
(Decision and Order made May 25, 2017)**

1.       This tribunal of the Discipline Committee of the Chartered Professional Accountants of Ontario met on May 25, 2017 to hear allegations of professional misconduct brought by the Professional Conduct Committee against Patrick James Whittaker, a suspended member of CPA Ontario.
2.       Ms. Alix Hersak appeared on behalf of the Professional Conduct Committee (PCC). Mr. Whittaker attended on his own behalf. Mr. Whittaker confirmed he understood that he had the right to be represented by counsel and was waiving that right. Mr. Robert Peck attended the hearing as counsel to the Discipline Committee.
3.       The decision of the tribunal was made known at the conclusion of the hearing on May 25, 2017, and the written Decision and Order was sent to the parties on May 30, 2017. These reasons, given pursuant to Rule 20.04 of the Rules of Practice and Procedure, include the allegations, the decision, the order, and the reasons of the tribunal for its decision and order.

**Allegations**

4.       The following allegations of professional misconduct were made against Mr. Whittaker by the Professional Conduct Committee on December 29, 2016:
  1.       THAT the said Patrick J. Whittaker, in or about the period November 1, 2009 through June 30, 2010, while President, CEO, sole director and sole shareholder of "RE Inc." associated himself with margin calculations provided to Bank 1 which significantly overstated the value of the accounts receivable and which he knew or ought to have known were false or misleading contrary to Rule 205 of the Rules of Professional Conduct.
  2.       THAT the said Patrick J. Whittaker, in or about the period October 1, 2011 through June 30, 2012, while President, CEO, sole director and sole shareholder of "RE Inc." associated himself with margin calculations and other financial information provided to Bank 2 which significantly overstated the value of the accounts receivable and other assets and which he knew or ought to have known were false or misleading contrary to Rule 205 of the Rules of Professional Conduct.

**Plea**

5. Mr. Whittaker admitted Allegation Nos. 1 and 2.

**Submissions of the PCC**

6. Ms. Hersak advised the tribunal that the case for the PCC would be presented by way of an Agreed Statement of Facts (ASOF). Ms. Hersak stated that the allegations pertain to monthly financial reporting to two different banks which were overstated and not in accordance with Generally Accepted Accounting Principles (GAAP). Ms. Hersak filed the ASOF (Exhibit 1) signed by Mr. Whittaker on his own behalf, and by Ms. Hersak on behalf of the PCC, as well as a Document Brief (Exhibit 2) and a Chronology of Significant Events (Exhibit 3).

7. In presenting the case for the PCC, Ms. Hersak reviewed the ASOF, which also included references to documents contained in the Document Brief, and made reference to the chronology. No other evidence was called on behalf of the PCC.

**The relevant facts**

8. The relevant facts are fully set out in the ASOF.

9. Mr. Whittaker is currently under suspension arising from his bankruptcy in January 2013. He was discharged from bankruptcy in December 2013 but his suspension has continued due to his failure to report the bankruptcy and in light of the ongoing PCC investigation.

10. The matter came to the attention of the PCC from Bank 2 who made a complaint that Mr. Whittaker had provided false and misleading information to obtain credit facilities. Bank 2 alleged that Mr. Whittaker provided non-existent financial information supporting accounts receivable for his company RE Inc. Bank 2 stated that similar misleading information had been provided to Bank 1 to obtain loans.

11. Mr. Whittaker's company RE Inc., which he incorporated in 1999, distributed electronic components, wire, cable, tools and lighting and test equipment. Mr. Whittaker was the President, CEO and owner/operator of the company. At all material times, the company's financial statements were subject to a review engagement performed by B&B CAs (B&B). Until 2008, the company focused on selling electronic components to the Canadian federal government and high-tech companies. In 2008, RE Inc. expanded and entered into an agreement with a Hong Kong based company which allowed RE Inc. to distribute electric products in North America, with exclusive distribution rights in Ontario.

12. Between 2008 and 2011, the Ontario Power Authority (OPA) and Hydro One Networks Inc. (Hydro One) delivered two energy conservation programs: the Electricity Retrofitted Incentive Program (ERIP) and the Save on Energy Retrofit Program (SERP). In 2008, RE Inc. confirmed with OPA that the lights distributed through them would qualify for the rebate program. By the end of 2008, lighting installations had commenced and applications were submitted through ERIP. RE Inc. customer rebates were delayed for unknown reasons until 2009. SERP was launched in 2011 to provide financial incentives for energy efficient equipment. In the fall of 2011, Hydro One identified a possible safety concern with certain RE Inc. lights. While the investigation was ongoing, rebates to RE Inc. customers were delayed.

13. In December 2012, RE Inc. went into receivership, and Mr. Whittaker declared personal bankruptcy in January 2013. Since June 2013, RE Inc. has been involved in ongoing litigation with OPA and Hydro One for damages resulting from delays in processing incentive payments which led to loss of business.

14. In November 2009, RE Inc. had filed a lawsuit claiming several defendants had possession of its inventory that resulted in RE Inc. being unable to fill customer orders for lighting. On its November 2009 financial statements, RE Inc. recognized a loss related to Disputed Inventory with a note that a claim in the amount of \$1,100,000 had been filed but as legal proceedings were still ongoing, the claim had not been reflected in the financial statements. A court order was subsequently made in favour of RE Inc. requiring the defendants to return certain of the disputed inventory. The accounting for the anticipated return of the inventory is one of the issues identified in the complaint.

*Allegation No. 1*

15. RE Inc. had been a corporate client of Bank 1 since 1999. In 2009, RE Inc. obtained two revolving demand facilities from Bank 1. As CEO of RE Inc., Mr. Whittaker signed the loan agreement and was at all times aware of the terms which required the submission of monthly signed borrowing limit certificates and in-house financial statements. Mr. Whittaker prepared the monthly financial statements provided to Bank 1 and was at all times aware of the content. RE Inc.'s borrowing limit was defined in the bank loan agreement not to exceed 75% of Good Accounts Receivable, 90% of Good Government Accounts Receivable and 25% of the lesser of cost or net realizable value of Unencumbered Inventory to a maximum of \$125,000. All accounting terms in the loan agreement were to be interpreted in accordance with Canadian GAAP and the bank did not accept monthly or annual financial reporting on a basis other than GAAP.

16. Monthly reporting to Bank 1 for December 2009, January and February 2010, RE Inc. recorded a receivable of \$275,612 related to the anticipated return of Disputed Inventory. Mr. Whittaker acknowledged this was a non-trades receivable and not in accordance with GAAP. After aging the receivable for three months, the receivable was reversed and recorded in the monthly reporting as \$264,890 from a related party. This third-party receivable was not permitted to be included in accordance with the loan agreement with Bank 1. Bank 1 was not aware this was a related party transaction and Mr. Whittaker admitted that including this amount in the margin report contributed to the overstatement of the value of the accounts receivable.

17. The receivable was again recorded in RE Inc.'s monthly reporting in April 2010 as a receivable from the third party in the amount of \$214,000 which was the value of the Disputed Inventory returned after the litigation was settled. The litigation was not settled until late May 2010 so reporting the amount as a receivable in April was misleading and not in accordance with GAAP. Mr. Whittaker agreed that the receivable recorded for the anticipated return of the Disputed Inventory was not a trade receivable. In the May 2010 reporting, Mr. Whittaker recorded the \$214,000 plus \$10,000 awarded for costs from the Ontario Supreme Court as a receivable. As this was not a trade receivable, recording it as such was misleading and not in accordance with GAAP.

18. As a result of Bank 1's concerns with risks involved in RE Inc.'s business, the account was moved to the Special Loans Department around November 2009. In early 2010, Bank 1's Special Loans determined that timely financial reporting was not being provided for RE Inc. and the bank was not able to assess its risk. Bank 1 informed Mr. Whittaker to obtain alternative financing by end of April 2010.

19. In June 2010, Mr. Whittaker agreed to certain terms and conditions, and RE Inc. entered into a forbearance agreement with Bank 1. RE Inc. was required to provide outstanding reports, updated financial statements and accounts receivable and payable listings. The May margining report to Bank 1 showed a \$37,000 margining deficit. A further review led Bank 1 to have concerns over cheques issued to RE Inc. from a related company. The accounts receivable of

RE Inc., pledged as security to Bank 1 were possibly being directed to a related company.

20. Bank 1 retained KPMG to review the financial and business affairs of RE Inc. The report indicated the financial affairs had been misrepresented, as RE Inc's accounts receivable list and margin calculations contained material misstatements. Bank 1 provided RE Inc. with an extension to find alternative financing based on Mr. Whittaker's assertion that he was close to an agreement with another lender. Bank 1 was ultimately repaid with funds provided by Bank 2 and Bank 3.

21. Mr. Whittaker had recorded a receivable amount for proceeds related to the Disputed Inventory although no claim for insurance had been filed by RE Inc. at that time. Mr. Whittaker stated that based on indications from the Insurance company, he believed the full amount of the loss would be reimbursed. Recording such a claim as an account receivable for margining purposes is not in accordance with the Bank 1 loan agreement as it is not in accordance with GAAP. B&B had informed Mr. Whittaker that the receivable could not be recorded because no insurance claim had been filed related to the legal proceedings.

*Allegation No. 2*

22. Since August 2010, RE Inc. had a revolving credit agreement with Bank 2 secured by accounts receivable value and finished goods inventory. The amount advanced could not exceed 75% of RE Inc.'s receivables and 25% of finished goods, and the amount secured by finished goods could not exceed \$150,000. In addition, the credit agreement stipulated that the financial statements for RE Inc. would fairly present the financial position in accordance with GAAP. Mr. Whittaker signed the Bank 2 credit agreement as President of RE Inc. and was at all times aware of the terms. Mr. Whittaker was responsible for the preparation and reporting of the monthly financial information to Bank 2.

23. Bank 2 agreed to provide subsequent credit increases to a value of \$950,000, relying on information provided by Mr. Whittaker and his personal guarantee of the RE Inc. debt. Monthly and annual financial reporting to Bank 2 was to be provided in accordance with GAAP.

24. Bank 2 became concerned with certain transactions in Mr. Whittaker's personal account which resulted in the RE Inc. account being transferred to the Special Loans department in early 2012. Special Loans became concerned that a decrease in RE Inc.'s receivables did not match deposits in the account and monthly reporting was not being submitted on a timely basis. Mr. Whittaker had advised that Hydro One had not yet paid the anticipated rebates and RE Inc. was experiencing installation and collection delays from its customers.

25. In May 2012, Bank 2 retained JH, a CA, to monitor and assess the ongoing viability of RE Inc. A report was prepared by JH that included findings that the accounts receivable were overstated by approximately \$675,000, work in progress had no realizable value and since Mr. Whittaker had prepared the accounts receivable, as a chartered accountant he should have been aware that a quotation is not an asset. Due to false reporting and the lack of detailed accounting information provided, the total revenue of \$4.2 million reported did not properly reflect the actual sales of RE Inc.

26. Following JH's review, RE Inc.'s report reclassified sales orders and quotations from accounts receivable to work in progress. Mr. Whittaker included preassembled inventory as work in progress in the monthly reporting. Mr. Whittaker acknowledged that amounts reported were not trade receivables and should not have been included as accounts receivable for margining purposes as this was misleading and not in accordance with GAAP.

27. Mr. Whittaker included \$80,000 in the monthly reporting which he stated related to prepaid supplies, and an amount of \$130,000 paid by RE Inc. for distribution rights was classified as a prepaid asset, with no support provided. The inclusion of \$80,000 contributed to the misstatement of the monthly statements and was misleading to Bank 2.

28. JH ultimately concluded that RE Inc. had insufficient assets to satisfy the indebtedness to Bank 2, resulting in a forbearance agreement to allow RE Inc. to continue operations. In December 2012 a receiver was appointed and Mr. Whittaker's home was seized under power of sale. An assignment agreement was made that if RE Inc. were to benefit from proceeds of the litigation against Hydro One, Bank 2 and RE Inc.'s lawyers would share in those proceeds. Mr. Whittaker is pursuing this litigation at his own expense.

29. Mr. Whittaker acknowledged and admitted that he associated himself with margin calculations provided to Bank 1 which significantly overstated the value of the accounts receivable. In respect of Bank 2, Mr. Whittaker associated himself with margin calculations and other financial information which significantly overstated the value of the accounts receivable and other assets.

30. Ms. Hersak submitted that the evidence contained in the ASOF supports the allegations under Rule 205 that Mr. Whittaker provided information which he knew or should have known was false and misleading.

#### **Submissions of Mr. Whittaker**

31. Mr. Whittaker stated that he was in agreement with the facts contained in the ASOF.

#### **Decision**

32. After deliberating, the tribunal found that the allegations had been proven. The tribunal announced the following decision:

THAT having seen and considered the evidence, including the agreed statement of facts, filed, and Patrick James Whittaker (Mr. Whittaker) having admitted Allegation Nos. 1 and 2, the Discipline Committee finds that the allegations have been established, Rule 205 has been breached and Mr. Whittaker has committed professional misconduct.

#### **Reasons for Decision**

33. The ASOF described the details of Mr. Whittaker's actions in the period from 2009 to 2012 with regard to information provided to the two banks. Mr. Whittaker acknowledged that he understood that the calculations were to be made in accordance with GAAP and also admitted that he understood the significance of this requirement.

34. With respect to Bank 1, Mr. Whittaker admitted that he significantly overstated the values of accounts receivable which he knew or ought to have known were false and misleading.

35. With respect to Bank 2, Mr. Whittaker admitted that he provided margin calculations and other financial information which he knew or ought to have known were false and misleading.

36. Provision of false and misleading information is not to be taken lightly and Mr. Whittaker's actions resulted in a loss to Bank 2 of \$898,000. There was no loss to Bank 1.

37. The evidence set out in the ASOF was detailed, clear and cogent, proved the Allegations were true and constitutes professional misconduct.



**Submissions on Sanction of PCC**

38. Ms. Hersak stated that there was no additional evidence on sanction. Ms. Hersak stated that the proposed sanctions, with the exception of costs, were presented jointly by the PCC and Mr. Whittaker. Unless the sanctions proposed are truly unreasonable, contrary to precedent cases and would bring disrepute to the profession, they should not be rejected. Ms. Hersak submitted that an appropriate sanction in this matter would be: a written reprimand, a fine in the amount of \$10,000, and the usual publicity to all members and the public. The PCC also sought an order for costs in the amount of \$38,000 representing approximately two-thirds of the actual costs incurred; the costs are not agreed to by Mr. Whittaker.

39. Ms. Hersak submitted that an order for suspension is not being sought by the PCC. Mr. Whittaker has been under suspension administratively as a result of his bankruptcy since January 14, 2014 and his suspension has been continued by the Registrar in light of the ongoing PCC investigation. This three-year suspension period is more than the PCC would have sought as a sanction.

40. Ms. Hersak submitted that the principles of specific and general deterrence, and rehabilitation, will be addressed by the sanctions requested. The reprimand will emphasize the seriousness of Mr. Whittaker's behavior. The fine proposed will address general and specific deterrence, as will publicity which is a powerful tool. Mr. Whittaker has had a lengthy period of time during his suspension to reflect on his actions and aid in his rehabilitation. The PCC has no objection to a reasonable period of time of 24 to 36 months for Mr. Whittaker to pay the fine and costs.

41. Ms. Hersak stated that the aggravating factors included Mr. Whittaker's dishonesty in reporting information to the banks that was false and misleading while in a responsible position as CEO of RE Inc. The banks had trusted and relied on him for information. Against the advice of B&B, Mr. Whittaker had continued to record receivables although no insurance claim had been filed or lawsuit settled. Misleading information was provided on many occasions to two banks, ultimately resulting in a significant loss. Mr. Whittaker had numerous opportunities to correct his conduct.

42. Ms. Hersak submitted that the mitigating factors were that Mr. Whittaker, who has been a member since 1994, had no history before the Discipline Committee. Throughout the process, Mr. Whittaker, despite residing in Nevada, met with the investigators and cooperated by providing requested information. Mr. Whittaker has attended the hearing today, admitted the allegations and indicated at an early stage that proceeding by way of an ASOF would be a possibility. Ms. Hersak stated that Mr. Whittaker has been suspended since 2014 and has entered into an assignment agreement with the banks, lawyers and receiver to share any proceeds from the civil litigation.

43. Ms. Hersak filed a Costs Outline (Exhibit 4) and stated that costs are an indemnity, not a penalty, necessitated by the conduct of the member. The PCC generally seeks two-thirds of the actual costs incurred of approximately \$57,000 which begins with the preparation of allegations. The ASOF, while complicated to prepare, did save time and money for witness preparation and attendance at the hearing. Ms. Hersak submitted that costs are discretionary and while the PCC is seeking \$38,000 there may be circumstances concerning financial information and ability to pay that Mr. Whittaker can address. Ms. Hersak noted that Mr. Whittaker has not been using his designation for quite some time, has recently been discharged from bankruptcy and there would be no objection to giving him 24 to 36 months to pay the fine and costs.

44. Ms. Hersak distributed a Case Brief containing the *Swayne, Whiting, Ghumman* and *Stanley* case, which deal with providing false or misleading statements. Although some of these cases resulted in suspension, since Mr. Whittaker has been under suspension by the Registrar, the PCC is not asking for a further suspension period.

#### **Submissions on Sanction of Mr. Whittaker**

45. Mr. Whittaker, after being sworn in as a witness, submitted that he has been under suspension for the past three years. Mr. Whittaker stated that he operated his own business RN Co. in Nevada but it was not operating to full capacity. At the time of his bankruptcy, he was told by a third party that he would lose his CPA. Since his discharge, he has been unable to obtain employment. Although he currently resides in Nevada, Mr. Whittaker expects that to change in October 2017 and he will relocate to Canada.

46. Mr. Whittaker stated that his CPA designation is required for him to obtain a job. He is hopeful that the litigation with Hydro One, which has been ongoing since 2010, will proceed in the fall but it may take two to three years to be settled. Due to the time required for the pending court proceedings, Mr. Whittaker is unable to secure gainful employment at this time.

47. Mr. Whittaker submitted he now recognizes that the way he recorded receivables for RE Inc., a business he started in 1999, was not in accordance with GAAP. Mr. Whittaker stated that while Hydro One kept saying it would process the rebates, this venture resulted in the loss of his house, his wife and his business. Mr. Whittaker stated that the complaint process has not been timely.

48. Mr. Whittaker did not have an issue with the quantum of the fine proposed but requested time to pay. In respect of the costs, Mr. Whittaker stated the amount of time needed to pay, two to four years, would depend on the amount of the costs ordered. He stated that the discovery process in the litigation proceedings is very costly and he has no assets, net worth or employment income.

49. Ms. Hersak submitted that the PCC has no control over the timing of complaints and that there was a lot of information for the investigator to go through to narrow down the issues that were the subject of the complaint.

#### **Order**

50. After deliberating, the tribunal made the following order:

IT IS ORDERED in respect of the Allegations:

1. THAT Mr. Whittaker be reprimanded in writing by the Chair of the hearing.
2. THAT Mr. Whittaker be and he is hereby fined the sum of \$10,000, to be remitted to the Chartered Professional Accountants of Ontario (CPA Ontario) within thirty-six (36) months from the date his membership in CPA Ontario is reinstated or by December 31, 2020, whichever occurs first.
3. THAT notice of this Decision and Order, disclosing Mr. Whittaker's name, 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.

4. THAT in the event Mr. Whittaker 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. Whittaker's practice, residence or employment. All costs associated with this publication shall be borne by Mr. Whittaker and shall be in addition to any other costs ordered by the committee.

**IT IS FURTHER ORDERED:**

5. THAT Mr. Whittaker be and he is hereby charged costs fixed at \$28,000, to be remitted to CPA Ontario) within thirty-six (36) months from the date his membership in CPA Ontario is reinstated or by December 31, 2020, whichever occurs first.

**Reasons for Sanctions**

51. The tribunal accepted that the joint submission on sanction with respect to the reprimand by the Chair of the hearing, the fine of \$10,000 and publicity in the ordinary course satisfied the goals of specific and general deterrence. The time to pay the fine was set at within 36 months from the date Mr. Whittaker's membership in CPA Ontario is reinstated or by December 31, 2020, whichever occurs first, because of his current financial position.

52. The tribunal accepted that although a suspension would normally be included in the sanction it would not be appropriate in this case as Mr. Whittaker had already been suspended since 2014 because of personal bankruptcy.

**Reasons for Costs**

53. The tribunal decided that costs should be fixed at \$28,000 rather than the higher amount suggested by Ms. Hersak because of Mr. Whittaker's co-operation and financial position.

DATED AT TORONTO THIS 24<sup>TH</sup> DAY OF AUGUST, 2017  
BY ORDER OF THE DISCIPLINE COMMITTEE



J.A. CULLEMORE, FCPA, FCA – CHAIR  
DISCIPLINE COMMITTEE

**MEMBERS OF THE TRIBUNAL:**

R.S. DUSCHEK, CPA, CA  
M.I. FELDSTEIN, CPA, CA  
P. McBURNEY (PUBLIC REPRESENTATIVE)