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CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF
ONTARIO

THE CHARTERED ACCOUNTANTS ACT, 2010

IN THE MATTER OF: DRAFT ALLEGATIONS OF
PROFESSIONAL MISCONDUCT
AGAINST P. PAUL HAKIMI, CPA, CA,
A MEMBER OF CPA ONTARIO
BEFORE THE DISCIPLINE
COMMITTEE

SETTLEMENT AGREEMENT

***Made pursuant to Section 34 (1)(c) of the Chartered
Accountants Act 2010 and to ICAO Regulation 7-1, s.22.4***

Introduction

1. The Professional Conduct Committee approved draft Allegations against P. Paul Hakimi, CPA, CA ("Hakimi" or the "Member") **Doc 1**.
2. The draft Allegations arise out of three separate complaints made by former clients of Hakimi, and pertain to the following issues:
 - a) Misleading a client as to the professional services provided by the Member on his behalf;
 - b) Failure to use due care in the preparation of compilation financial statements and the preparation and filing of T1 and T2 income tax returns and HST returns;
 - c) Failure to use integrity and due care in advising clients with respect to the filing requirements of the *Excise Tax Act*; and
 - d) Making threats in pursuing collection of professional fees.

3. The documents referred to in this Agreement are found in the Document Brief ("**Doc**").
4. The Professional Conduct Committee ("PCC") and Hakimi agree with the facts and conclusions set out in this Settlement Agreement for the purpose of this proceeding only, and further agree that this Agreement of facts and conclusions is without prejudice to Hakimi in any other proceedings of any kind, including, but without limiting the generality of the forgoing, any civil or other proceedings which may be brought by any other person, corporation, regulatory body or agency.

Background

5. Hakimi articulated with the firm of Wm J. Trotter & Associates, Chartered Accountants, and worked there for approximately four years. He worked at Horwath Orenstein, which then merged with MNP LLP, collectively for two years. He received his CA designation in 2007. When Hakimi left MNP, he was a senior accountant.
6. In 2010, the Member began operating a part time practice from his home, with the majority of his work being the preparation of personal income tax returns. His practice has since expanded to include preparation and filing of corporate income tax returns and Notice to Reader engagements.
7. For a period of eighteen months, Hakimi held a contract position as a controller at a Bay Street law firm. That employment ended in July, 2013. During the course of the employment, the Member continued to operate his part-time accounting practice.
8. Although he holds a Public Accounting Licence, the Member does not perform any assurance engagements as part of his practice.

9. Hakimi does not have any employees in his practice, but outsources work if necessary. He does not have a formal system of quality control in place.
10. The Member's client base has been established through word of mouth, and through advertisements in a local newspaper serving the Persian community.
11. Hakimi initially came to the attention of the PCC as a result of two independent complaints received from his former clients, "PS," **Doc 2** and "NA," "ZZ," and their company "S. Inc." **Doc 4** These clients each raised issues with respect to timeliness of service, difficulty in having documents returned, difficulty meeting, filing returns without authorization, and unprofessional communications, including unprofessional methods of pursuing collection of professional fees. Each of the complaints was made in the context of the Member's pursuit of collection of professional fees from the respective complainants.
12. Hakimi's response to the complaint from PS is reproduced at **Doc 3**. His response to the complaint from NA, ZZ and S. Inc. is at **Doc 5**.
13. Mr. Paul Gibel, FCPA, FCA, was appointed to investigate these two complaints.
14. An additional complaint against the Member was made subsequent to the Gibel investigation. That complaint, from former client "MP" alleged among other matters that Hakimi did not file the corporate income tax returns MP had retained him to prepare, despite representations that he had done so. **Doc 6**
15. Hakimi's response to the MP complaint is reproduced at **Doc 7**.
16. Ms. Jodie Wolkoff, CPA, CA, IFA, CBV, CFF was appointed to investigate MP's complaint.

Draft Allegations Arising from Complaint of MP

Background

17. MP was seeking an accountant to assist him with personal and business matters after being away from Canada for 14 years. He was introduced to the Member through a friend in May, 2010.
18. Among other involvements with MP's personal and business matters, Hakimi was engaged to prepare and file corporate tax returns for MP's two companies, "PAC" and "PHC," for the fiscal years ending 2011 and 2012 (the "Corporate Returns").
19. On numerous occasions between August, 2012 and November, 2012, MP requested the Corporate Returns from the Member. Hakimi's responses led MP to believe that the Corporate Returns had been prepared and filed, however Hakimi did not prepare and file the Corporate Returns.

Draft Allegations 1 & 2 – Misleading Client as to Professional Services Provided; Pursuit of Collection of Professional Fees

20. In or about the summer of 2012, MP became concerned that he had not received any Notices of Assessment from CRA for either PAC or PHC for the previous two years, and he contacted the Member to request information regarding those tax filings.

September, 2012

21. Hakimi and MP met on September 6, 2012. Later that day, MP wrote to confirm his understanding that Hakimi was to provide to him the corporate return files submitted for both PAC and PHC for the fiscal years ended February, 2011 and 2012 and July, 2011 and 2012 respectively. MP understood this to mean that the Member would provide him with the companies' corporate tax returns that Hakimi had prepared and filed. **Doc**

22. On September 20, 2012, MP sent an email to the Member requesting the information that was discussed in the September 6, 2012 meeting:

...I am really concerned about my personel and corporate taxes specially my Corp taxes of 2010 for which I have not received any notice of assessment neither, while I provide you all the information before end of May 2011. [sic]

As I told you before I believe you are a very busy person therefore If you haven't done or you not have time to do all I mentioned, please let me know clearly so I don't count on your help anymore.
(emphasis added) **Doc 7**

The Member emailed the personal returns to MP later that day, but stated that he could not send the corporate material via email.

23. On September 21, 2012 MP again requested "...the print of T2s of 2010 and 2011" and inquired if the Member had followed up with CRA as to why Notices of Assessment had not been sent. Hakimi replied "*They haven't assessed the corporate returns as they have pre-assessment queries that I will need to address.*" **Doc 7**

24. MP replied again requesting the Corporate Returns, seeking to pick them up that weekend, and expressed that he was "*really concerned about 2 Corporations. How they have not been assessed until now? And why they did not tell you earlier the questions that they had about these companies? I am delaying my trip because I have to clear out my taxes before I leave...*" Hakimi responded "*...I found out about the pre-assessment because I sent CRA a notice regarding the status of those returns. To be clear, the T2s will not be available this weekend and I have no plans for any meetings...*" **Doc 7**

25. Hakimi states that from time to time in corresponding with MP he miscommunicated with respect to the corporate T2 returns for PAC, when he in fact was referencing the T4s and T4 summaries he prepared for PAC.
26. On September 30, 2012 MP emailed Hakimi and advised him that MP's own research showed that no T2s had been filed for fiscal 2011 and 2012 for PAC or PHC contrary to what Hakimi had told him, and he was concerned with what problems might result from missed filing deadlines. MP advised the Member that he had retained a CPA, CGA, "FD" to prepare the Corporate Returns, and requested that Hakimi provide various documents to FD. **Doc 7**

October, 2012

27. The Member expressed his concern to MP on October 3, 2012 that FD may not be able to follow the complex tax strategy that Hakimi had developed, and stated that he would not engage in any further professional services until all outstanding balances were paid in full. **Doc 7**
28. MP responded the same day indicating his willingness to pay all outstanding fees and requesting that the Member send his invoice. He also requested that Hakimi provide calculations and explanations with respect to the Corporate Returns and Hakimi's tax strategy for the companies, for which he had yet to receive any documentation. The two agreed to meet, however no meeting could be arranged because MP was travelling out of the country in two days' time. **Doc 7** MP again requested Hakimi's invoice so that he could pay it before he departed, and requested the return of his documents.

29. On October 5, 2012, Hakimi wrote:

We have also completed bookkeeping up to 2012 as well as financials and corporate returns. Are you suggesting [FD] will be amending that information?...

With regards to my invoice and given your comments, I'm not clear on what you expect me to deliver and invoice you for at this point?

Doc 7 (emphasis added)

30. MP wrote to the Member again on October 5, 2012 and requested that Hakimi advise if he had filed anything with CRA regarding PAC or PHC, and if so, he requested that the Member provide him with copies of the filings. Hakimi replied on the same day:

...For [PAC] and [PHC] we have filing records for 2011 which were submitted in 2012...

I will certainly return to you all of your documents as well as the completed 2011 filings. If your intention is to have [FD] complete for 2012 then I obviously will not share my calculations and reports for that period since he will be completing for you instead. To reiterate, I will not be responsible for any penalties, interest or taxes that ensue from this changeover...

*...so again, what exactly do you wish for me to return and invoice both 2011 and 2012 completed and filed? **Doc 8***

31. MP responded to Hakimi on October 5, 2012 that he was "completely lost and confused" as to whether any tax returns were prepared for PAC or PHC, and if they had been filed when that had taken place and where were the relevant documents? **Doc 8**

32. In answering MP on October 5, 2012, Hakimi indicated that he had already answered MP's question. He further stated:

*...You've previously consented to the e-filing of your 2011 corporate returns which was completed in 2012 for which CRA's assessment remains pending. For 2012, I have not filed anything yet though the figures are ready. My question is whether you would like me to file and deliver my work to you for this 2012 period or not? **Doc 8***

33. Hakimi states that the “efiling of your 2011 corporate returns which was completed in 2012” referred to the T4s for PAC for 2011.

34. On October 6, 2012, MP emailed the Member and told him to stop working on any personal or corporate tax matters until Hakimi met with MP’s business partner, “TB,” and with MP’s wife. MP sent the Member a list of questions to be answered at that meeting, including, among other things whether the Corporate Returns had been filed. **Doc 8**

November, 2012

35. In the context of correspondence about a different business, Hakimi wrote to MP on November 26, 2012, and mentioned that MP “*will also be in receipt of your corporate notice of assessments at this point as well. Please advise when you would like to settle your balance for professional services and retrieve your supporting documents?*” **Doc 8**

36. MP replied by email a number of times that same day to remind the Member that FD had been retained to assist with MP’s tax matters and requested that Hakimi contact FD and provide him with relevant documents and confirm what had been filed with CRA. **Doc 7, 9**

37. Hakimi responded on November 26, 2015 stating that he was confused as to whether FD was preparing the Corporate Returns, but that if he was Hakimi would courier all of MP’s documents directly to MP. Hakimi continued with respect to his professional fees:

*...Lastly, given the fact that you have yet to compensate me for professional services relating to your personal tax filings; I have some doubts as to the collectability of my professional fees relating to your corporate filings. Accordingly, I will cancel and reverse all pending filings on behalf of your companies before returning those documents to you... (emphasis added) **Doc 7***

38. Once again MP responded that he would pay the Member’s professional fees if he provided an invoice. MP requested a detailed invoice showing

what services were provided and all of the documentation that was submitted. **Doc 7** No invoice was provided.

39. Hakimi states that the "filings" referenced in paragraph 34 which he would "cancel and reverse" was the taxpayer authorization. He also states that he was not going to file any drafts which he had prepared.

40. On November 30, 2012, the Member wrote a letter to MP stating that no corporate tax filings or financial statements had been completed or filed for PAC, PHC, or two other of MP's companies, in accordance with MP's instructions to stop work. **Doc 9**

January, 2013

41. On January 7, 2013, the Member sent an email to MP indicating that he had sent a package of documents related to MP's personal and corporate income taxes, and attaching a copy of a registered mail receipt. MP states that the registered mail receipt showed that a package was sent to CRA. MP did not receive a package from the Member, and CRA did not receive a package on his behalf. **Doc 7**

42. On January 7, 2013, in response to MP's question "WHAT DID YOU SEND EXACTLY. WHICH DOCUMENTS? Please give me a direct answer," Hakimi wrote:

*To be very precise, the package include the following [sic]:
-Corporate Tax Filings for 2011 for PAC and PHC
-Financial Statements for 2011 for PAC and PHC
-Any and all supporting documents (including 2011 and 2012)
-My invoice for professional services for what was completed **Doc 7***

43. Hakimi states that his response of January 7, 2013 was a miscommunication, and that he only returned copies of supporting documents for PAC which were in his possession, along with the 2010 financial statements for PAC, which he mislabeled as the 2011

statements. Hakimi states that he never had any original source documents in his possession.

May, 2013

44. MP received a letter from the Member dated May 15, 2013, stating *"As you have instructed, any and all tax filings as well as financial filings completed for PAC, PHC, "P&A Inc.," and "MTC" have been voided and cancelled."* **Doc 9**
45. As noted in paragraph 19, above, Hakimi's responses from September, 2012 onward led MP to believe that the Corporate Returns had been prepared and filed, however Hakimi did not prepare and file the Corporate Returns.
46. Hakimi characterizes his miscommunications with MP and his overall failure to communicate to MP the fact that he did not prepare or file the Corporate Returns as "regrettable" and an "error in judgment."
47. It is agreed that Hakimi failed to conduct himself in a manner which would maintain the good reputation of the profession and its ability to serve the public interest in that he led MP to believe that he had prepared and filed T2 income tax returns for "PAC" and "PHC" for the fiscal years 2011 and 2012, when he had not done so.
48. It is agreed that Hakimi failed to conduct himself in a manner which would maintain the good reputation of the profession and its ability to serve the public interest in that while pursuing collection of professional fees from his former client MP, he threatened to "cancel and reverse all pending filings on behalf of [MP'S] companies" which he had been engaged to make with Canada Revenue Agency.

Draft Allegations Arising from Complaint of NA, ZZ, and S. Inc.

Background

49. NA and her husband ZZ were personal income tax clients of Hakimi. They also engaged him to prepare compilation financial statements, corporate tax returns and HST returns for their company S. Inc. NA and ZZ were referred to the Member by NA's cousin, "BA."

50. Hakimi was engaged to prepare financial statements and corporate tax returns for the September 30, 2011 taxation year for S. Inc., the HST return for S. Inc. for the reporting period November 1, 2010 through October 23, 2011, and personal tax returns for 2011 for NA and ZZ.

Draft Allegation 3 – Failure to Use Due Care in Performance of Professional Services

Failure to attach Notice to Reader

51. Hakimi compiled the financial information for S. Inc. for the period ended September 30, 2011 into a Statement of Loss and Deficit and a Balance Sheet, which were marked "Unaudited – see Notice to Reader." The information from the financial statements was filed with CRA related to the corporate T2 return. **Doc 10**

52. Where such a statement is prepared by a CA, *CICA Handbook* section 9200.25 requires the inclusion of a communication with the financial statements which is to be entitled "Notice to Reader." Hakimi did not prepare and attach the Notice to Reader.

Trial Balance

53. The trial balance prepared by the Member for S. Inc. as at September 30, 2011 **Doc 10** does not support the amounts on the financial statement he prepared for that year end, including:

- a) the trial balance shows a bank balance of \$133.35 and cash on hand of \$29,211.27, while the bank statement indicates a balance of \$19,458.49 which agrees to the item "Cash" on the balance sheet;
- b) shareholder loan on the trial balance is a debit balance of \$4,066.19 while the balance sheet shows a credit of \$28,175;
- c) the statement of loss and deficit shows a subcontracts expense of \$9,000 while the trial balance shows \$nil.

Documentation – Compilation Engagement

54. Hakimi did not have a working paper allowing for reconciliation from the trial balance to the financial statements.

55. There were no completed checklists in the Member's file for this engagement, which he states he does not print and sign off but rather reviews checklists on the computer and mentally makes sure that he has completed the steps. This includes the Member's assessment of his independence, which he does by mentally completing the independence checklist.

56. Hakimi states that the figures in the financial statements were derived from the clients' records and that as the figures appeared reasonable he feels he did not associate with false or misleading financial information.

Capital Cost Allowance

57. Schedule 8 of the corporate T2 return shows property additions to Class 8 of \$9,887 during the period, which agrees to the figure on the balance

sheet. No capital cost allowance had been claimed. Class 8 has a capital cost allowance rate of 20%. **Doc 10**

58. The trial balance prepared by the Member shows computer hardware additions of \$8,913.28 and computer software additions of \$40.66. Computer hardware additions should be included in Class 50 and capital cost allowance calculated at a 55% rate, and computer software additions should be included in Class 12, with capital cost allowance calculated at a 100% rate. Capital cost allowance was not claimed in respect of these items. **Doc 10**

Input Tax Credits

59. The financial statements prepared by Hakimi for the period ended September 30, 2011 show sales of \$44,176, **Doc 10** which multiplied by 13% amounts to \$5,742.88. The HST return prepared by Hakimi for S. Inc. reports HST collected of \$5,742. **Doc 10**
60. The total expenses shown on the financial statements are \$49,452, less (non-taxable) interest and bank charges of \$716 for a potential amount of \$48,736. That amount, multiplied by 13%, gives \$6,335.68 of input tax credits, however the HST return claims \$5,938 of input tax credits.
61. S. Inc. also had property, plant and equipment additions of \$9,887, which should have been, but were not included in the input tax credits.

Documentation – HST Filing

62. The Member does not have any documentation of the work performed to support the HST filing for S. Inc. for the November 1, 2010 to October 23, 2011 reporting period.

No Client Authorization – T183

63. The Member did not have signed T183 forms for NA, ZZ or S. Inc. The clients contend that Hakimi filed their income taxes without their authorization and that the returns were incorrect. The clients subsequently amended the T1 and T2 returns. **Doc 10**

Documentation – E-Filing of Returns

64. The Member had no record of the date on which the T1 returns for NA and ZZ and the T2 return for S. Inc. were filed.

65. CRA assigns a transmission number to each return that is e-filed. The transmission number is the log, however Hakimi does not print or keep a record of these logs. Hakimi acknowledges that he has an obligation as an e-filer to reconcile his filing logs with CRA if there are inconsistencies.

Draft Allegation 4 – Failure to Use Integrity and Due Care Related to HST Filings

66. Hakimi was engaged to prepare and file the HST return for S. Inc., for the reporting period November 1, 2010, through October 23, 2011. **Doc 10**

67. ZZ wrote to the Member on December 16, 2011, asking to meet with respect to the HST filing, noting the filing deadline was January 23, 2012. Hakimi responded that the deadline would not be a problem, and was only an issue in the event that there was an HST balance due. ZZ responded advising that he anticipated that S. Inc. would have an HST balance due. The clients followed up again on January 18, 2012, expressing concern about the filing deadline. **Doc 11**

68. The Member's first substantive correspondence with the clients in respect of this HST filing was on January 23, 2012. At that time he stated: *"the tax strategy I'm proposing is to declare a corporate loss in your first year of*

operations while claiming an HST credit... HST Payable of \$5,742 – HST Input Credits of \$5,938 = HST Refund of \$196.” Doc 11

69. Hakimi provided the clients with three options for the HST filings, and asks them to let him know which one they prefer:

...We file as suggested above. Note that this is an AGGRESSIVE tax position and claims HST input credits on approximately \$45K of expenses.

...We file showing a balance due of \$1,408. This is a BALANCED tax position and claims HST input credits on approximately \$31K of expenses.

...We file showing a balance due of \$2,757. This is a CONSERVATIVE tax position and claims HST input credits on approximately \$20K of expenses (no adjustments).

I'm comfortable with either option, however my concern here is that I'm proposing a tax position that may not suit your risk tolerances. It is important that you both understand and be confident with our strategy going forward. Doc 11

70. Hakimi states that the conservative approach was to use the figures from the clients' accounting system. The balanced approach was using the conservative numbers and then adding pre-incorporation costs and cash expenses incurred by the clients. The aggressive approach, in addition to the amounts claimed under the balanced approach included accruals for additional salary expenses and management fees.

71. Hakimi states that he recommended the balanced approach and believed that the HST filing was made on the basis of the balanced approach, however the S. Inc. HST return was filed by Hakimi on the basis of the aggressive approach. **Doc 10**

72. The *Excise Tax Act* requires that HST filings be made on the basis of what the Member described to the clients as the conservative approach. The

balanced approach and the aggressive approach are not permissible under the *Act*.

73. It is agreed that Hakimi failed to perform his professional services with integrity and due care, in that while engaged to prepare and file the HST return for S Inc. for the reporting period November 1, 2010 through October 23, 2011, he provided the client with “conservative,” “balanced,” and “aggressive” filing alternatives rather than preparing the return in accordance with the requirements of the *Excise Tax Act*.

Draft Allegation 5 – Pursuit of Collection of Professional Fees

74. On June 11, 2012, ZZ wrote to the Member questioning the amount the Clients were to be billed for Hakimi’s services, which ZZ indicated was not the amount Hakimi quoted and had been changed without discussion or notice. **Doc 12**

75. Hakimi replied on the same day, stating that he would honour his commitment “*however the final invoice will largely depend on the deliverables agreed upon as well as the level of risk (i.e. you’ve selected an aggressive tax position.)*” **Doc 12**

76. The relationship between the Member and the Clients deteriorated, and between July 26-August 15, 2012, NA corresponded with the ICAO, filing her complaint.

77. On February 10, 2013, the Member’s invoice remained unpaid, so he wrote to NA’s cousin, BA, to request his assistance in resolving the fee dispute. **Doc 12** Hakimi wrote to BA several times between February 10, 2013 and May 4, 2013, for this purpose, contrary to the written direction of NA, and from time to time including NA as an addressee. Hakimi sent these communications to BA despite BA’s written replies that he did not

want to get involved in the matter. In the course of his communications with BA, Hakimi inappropriately disclosed confidential information about NA, ZZ, and S. Inc.

78. Hakimi's February 10, 2013 email to BA stated in part:

...To this day...my invoice for professional services from that period remains unpaid. Even worse and for reasons I cannot understand, [NA] has taken it upon herself to file baseless complaints against me with the Institute of Chartered Accountants of Ontario.

At this point, I'm simply looking to get my account settled and for [NA] to cease this witch hunt against me. My ultimate recourse is to register a lien against the "G Avenue" property [NA and ZZ's residence] and pursue full collection efforts... (emphasis added)

Doc 12

79. On May 2, 2013, Hakimi wrote to BA enclosing a copy of a registration Hakimi had made against NA, ZZ, and S. Inc. under the Ontario *Personal Property Security Act*. **Doc 12** The registration indicates that Hakimi holds security over consumer goods, inventory, equipment, accounts, and "other" in a principal amount of \$1,500. Hakimi does not hold such security. He made the PPSA registration in respect of his unpaid fees.

80. On May 16, 2013, Hakimi wrote to NA in respect of the work he had been engaged to perform and his unpaid invoice, stating:

...In my opinion, you are pursuing an aggressive tax position as you are subsidizing the losses of your company thru artificial "earnings." [sic]

...Be advised, that I will pursue full collection efforts for the services that I have rendered including litigation and enforcement. It is also my obligation to report these questionable tax filings to the Canada Revenue Agency compliance department for further investigation of [S. Inc.] and your personal returns. Without prejudice, I am willing to accept a mutual release for a flat settlement of \$1,000...
(emphasis added) Doc 12

81. Hakimi states that his comment with respect to “artificial earnings” was speculative. He acknowledges that his statement with respect to reporting the clients to CRA was made in an attempt to resolve the unpaid invoice. He states that had CRA inquired with him and requested his assistance, he would communicate his opinions on the clients’ tax positions, but he was not contacted by CRA.

82. It is agreed that Hakimi failed to maintain the reputation of the profession and its ability to serve the public interest in the course of pursuing collection of professional fees from his former clients NA, ZZ, and S Inc. as described above.

Draft Allegation Arising from Complaint of PS

Draft Allegation 6 – Pursuit of Collection of Professional Fees

83. PS engaged Hakimi to prepare and file his 2010 personal income tax return, having read an advertisement for the Member’s services. In the course of engaging the Member, PS mentioned that he had surgery performed outside Canada in 2008, and Hakimi advised him that there was an opportunity to adjust PS’s 2008 T1 return. Hakimi was also engaged to file the 2008 T1 adjustment request.

84. Hakimi issued his invoice related to the adjustment request in the amount of \$100 plus HST on March 31, 2012. **Doc 13** PS wrote to the Member questioning the amount of the invoice, which he believed was double what had been quoted. He offered to meet with the Member to resolve the dispute. **Doc 13.**

85. On May 5, 2012, Hakimi wrote to PS in reply:

My invoice is final and will not be adjusted. I do not think that my rate is unfair or unreasonable and I certainly didn't make any promises to you.

Should you be unwilling to pay, I will simply send your account to collections and petition CRA to reverse this adjustment. (emphasis added) **Doc 13**

86. PS paid his invoice in full. He believed that the Member was employed by or connected with CRA and that Hakimi was empowered to “contact CRA to take the adjustment back” were he not to make payment. **Doc 2.**

87. Hakimi states that when he wrote that he would “petition CRA to reverse this adjustment,” he meant that in the event that CRA were to contact him about the adjustment he would advise them that he was withholding his authorization to file the adjustment. He did not communicate this to PS at any time.

88. It is agreed that Hakimi failed to conduct himself in a manner which would maintain the good reputation of the profession and its ability to serve the public interest in that while pursuing collection of his professional fees from PS he threatened to petition CRA to reverse the 2008 T1 adjustment he had been engaged to prepare and file.

Additional Information

89. Hakimi states that it is his intention to continue his practice in compliance with the Rules of Professional Conduct with the support of his clients, many of whom have provided testimonials as to the assistance he has provided to them.

90. The Member has no prior history in the disciplinary process and was fully co-operative in the PCC investigations into his conduct.

Terms of Settlement

91. Hakimi and the Professional Conduct Committee agree to the following Terms of Settlement:

- a) Hakimi will be reprimanded in writing by the Chair of the Discipline Committee;
- b) Hakimi will pay a fine in the amount of \$10,000 within 24 months of this agreement receiving approval of the Discipline Committee;
- c) Hakimi will be suspended from Membership for a period of 90 days;
- d) Hakimi will attend, within 12 months of the time the Discipline Committee accepts this Settlement Agreement, the following professional development courses offered by CPA Ontario (or the successor courses):
 - *Compilation Engagements; and*
 - *General Practitioners "Need to Know."*
- e) Notice of the terms of this Settlement is to be published in accordance with the provisions of ICAO Regulation 7-3, s. 22, including notice to be given to CPA Canada, the Public Accountants' Council and in a CPA Ontario publication;
- f) Hakimi will pay costs in the amount of \$15,000 within 24 months of this agreement receiving approval of the Discipline Committee; and
- g) A failure by Hakimi to comply with any of the terms of Settlement will result in his suspension from membership in the Institute which suspension will continue until he complies PROVIDED THAT if his suspension under this section continues for three months his membership in the ICAO will be revoked with full publicity in accordance with Regulation 7-3(23).

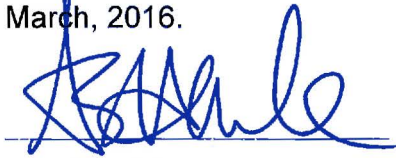
92. Should the Discipline Committee accept this Settlement Agreement, Hakimi agrees to waive his right to a full hearing, judicial review or appeal of the matter subject to the Settlement Agreement. Upon the member fulfilling the requirements of this Settlement Agreement, the draft Allegations approved by the Professional Conduct Committee and dated August, 2015, shall be forever stayed.
93. If for any reason this Settlement Agreement is not approved by the Discipline Committee, then:
- a) This Settlement Agreement and its terms, including all Settlement Negotiations between the Professional Conduct Committee and Hakimi leading up to its presentation to the Discipline Committee, shall be without prejudice to the Professional Conduct Committee and Hakimi; and
 - b) The Professional Conduct Committee and Hakimi shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the Allegations, or negotiating a new Settlement Agreement, unaffected by this Settlement Agreement or the Settlement Negotiations.

Disclosure of Settlement Agreement

94. This Settlement Agreement and its terms will be treated as confidential by the Professional Conduct Committee and Hakimi, until approved by the Discipline Committee, and forever if for any reason whatsoever this Settlement Agreement is not approved by the Discipline Committee, except with the written consent of the Professional Conduct Committee and Hakimi, or, as may be required by law.

95. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Discipline Committee.

All of which is agreed to for the purpose of this proceeding alone, this 21 day of March, 2016.



ALEXANDRA E. HERSAK



P. PAUL HAKIMI, CPA, CA on his
own behalf

On behalf of:
THE PROFESSIONAL CONDUCT COMMITTEE