

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO
THE CHARTERED ACCOUNTANTS ACT, 2010

DISCIPLINE COMMITTEE

IN THE MATTER OF: A charge against **AIME MACXIME DOUTRE**, a suspended member of the Institute, under Rule 201.1 of the Rules of Professional Conduct, as amended.

TO: Mr. Aime M. Doutre

AND TO: The Professional Conduct Committee, ICAO

REASONS

(Decision and Order made January 6, 2011)

1. This panel of the Discipline Committee of the Institute of Chartered Accountants met on January 6, 2011 to hear a charge of professional misconduct laid by the Professional Conduct Committee against Aime M. Doutre, a suspended member of the Institute.
2. Alexandra Hersak appeared on behalf of the Professional Conduct Committee. Mr. Doutre was not represented by counsel and did not attend the hearing. Robert Peck attended the hearing as counsel to the Discipline Committee.
3. The panel determined that Mr. Doutre had been provided proper notice of the hearing and decided to proceed in his absence, pursuant to Bylaw 560.
4. The decision of the panel was made known at the conclusion of the hearing and the written Decision and Order sent to the parties on January 13, 2011. These reasons, given pursuant to Bylaw 573, contain the charge, the decision, the order, and the reasons of the panel for the decision and order.

CHARGE

5. The following charge was laid by the Professional Conduct Committee against Mr. Doutre on June 17, 2010:

THAT, the said Aime Macxime Doutre, on or about the 4th day of May 2010, was convicted of the offences of fraud as set out in Schedule "A" attached to this charge and did thereby fail to act in a manner which will maintain the good reputation of the profession and its ability to serve the public interest contrary to Rule 201.1 of the Rules of Professional Conduct.

PLEA

6. A plea of not guilty was entered on behalf of Mr. Doutre.

EVIDENCE

7. The evidence in this matter consisted of a certified copy of a Certificate of Conviction (Exhibit 6) and a Document Brief (Exhibit 7). Mr. Doutre had pleaded guilty and been convicted of fraud by the Ontario Court of Justice on May 4, 2010. The Certificate of Conviction was the certificate of the charge of fraud set out as Schedule "A" to the charge of professional misconduct. The Document Brief included a certified transcript of the proceedings before Justice Harris on May 4, 2010 which

included a summation of the relevant facts which Mr. Doutre confirmed was accurate and impact statements from some of his victims.

DECISION

8. After deliberating, the panel made the following decision:

THAT, having determined to proceed with the hearing in the absence of Mr. Doutre, pursuant to Bylaw 560, being satisfied that he had proper notice of the hearing, and having entered on his behalf a plea of not guilty to the charge, and having seen and considered the evidence, the Discipline Committee finds Aime Maxime Doutre guilty of the charge.

REASONS FOR THE DECISION

9. The evidence in this matter is clear, cogent, convincing and uncontradicted. The panel found the relevant facts to be as follows. Mr. Doutre, who operated an accounting and tax practice, represented to a number of his clients that he had an investment opportunity for them. The clients relied on Mr. Doutre and invested substantial amounts of money with him. He used the money for his own purposes. Mr. Doutre subsequently abandoned his clients and his accounting practice and disappeared for a period of time. He did eventually turn himself in to the police. The police investigation concluded with the charge of fraud totalling approximately \$465,000. Mr. Doutre acknowledged the fraud, pleaded guilty, was convicted and sentenced to a period of incarceration. Mr. Doutre's betrayal caused serious harm to his former clients as their victim impact statements made clear.

10. Mr. Doutre was convicted of a serious criminal offence. The charge of professional misconduct has been proven; Mr. Doutre failed to uphold the good reputation of the profession and its ability to serve the public interest.

SANCTION

11. Ms. Hersak, on behalf of the Professional Conduct Committee, said that the prosecution would rely upon the certified transcript of the proceedings of the court as evidence with respect to the appropriate sanction, but also wished to call Karen Ho James, CA-IFA who had been appointed the investigator to look into allegations made by Mr. Doutre's clients after he had abandoned his practice and before he turned himself in to the police.

12. Ms. Ho James testified that she had been appointed in December 2008 to investigate allegations that Mr. Doutre had misappropriated clients' funds, had not returned their books and abandoned his practice. Ms. Ho James made several trips to Collingwood to interview Mr. Doutre's former clients and review the books, records and ledgers. She testified that Mr. Doutre's staff had made efforts to return records to clients and the landlord contacted the Institute concerning books and records still at the premises. Ms. Ho James met with Mr. Doutre's former office manager who advised that the firm's bank accounts had been frozen and she was unable to contact Mr. Doutre.

13. Ms. Ho James spoke with six of Mr. Doutre's former clients who had been unable to locate him. A police report had been filed but Mr. Doutre's whereabouts were unknown. The information she received from Mr. Doutre's former clients was similar to and consistent with the facts set out in the transcript of the court proceedings. Ms. Ho James also provided information from clients who had not provided an impact statement to the court.

14. Ms. Ho James spoke to Mr. Doutre's son who was unaware of his father's whereabouts. The Institute obtained a court order for custodianship of the clients' books and the public was notified

through *CheckMark* and newspapers.

15. Ms. Hersak submitted that a sanction of: a written reprimand; a fine of \$20,000; revocation of membership; full publicity including newspaper notice; and costs of \$15,000 is appropriate and required in this case. Since Mr. Doutre is currently incarcerated, Ms. Hersak had no objection to a lengthy period of time for payment of the fine and costs. Ms. Hersak filed a Costs Outline (Exhibit 9), noting that the amount requested is less than 50% of the actual costs incurred in this matter.

16. Ms. Hersak noted a number of mitigating factors on Mr. Doutre's behalf, including the fact that Mr. Doutre has no previous discipline record, he had turned himself in to the police, he had pleaded guilty to the criminal charges, he is serving a two-year sentence for his crime and he has expressed remorse for his actions. She submitted the mitigating factors are far outweighed by the fact Mr. Doutre, who as a chartered accountant had knowledge of his clients' finances and was in a position of trust, misappropriated retirement funds from those clients. Mr. Doutre had taken the funds for his own use, abandoned his practice, fled town and hid out for some time. Ms. Hersak stated that such a scheme which was constructed over several years is one of significant moral turpitude and requires the sanction of revocation of membership.

17. Ms. Hersak pointed out the importance of full publicity as a deterrent to other members and to make the public aware that the Institute deals with these matters in a serious manner, especially in the Collingwood area where this matter gained notoriety. Ms. Hersak recommended publication in both *The Globe and Mail* and in a local Collingwood newspaper.

ORDER

18. After deliberating, the panel made the following order:

IT IS ORDERED in respect of the charge:

1. THAT Mr. Doutre be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Doutre be and he is hereby fined the sum of \$20,000 to be remitted to the Institute within twelve (12) months from the date this Decision and Order becomes final under the bylaws.
3. That Mr. Doutre's membership in the Institute be and is hereby revoked.
4. THAT notice of this Decision and Order, disclosing Mr. Doutre's name, be given after this Decision and Order becomes final under the bylaws, in the form and manner determined by the Discipline Committee:
 - (a) to all members of the Institute; and
 - (b) to all provincial institutes/Ordre,and shall be made available to the public.
5. THAT notice of the membership revocation, disclosing Mr. Doutre's name, be given by publication on the Institute's website, and in *The Globe and Mail* and a newspaper distributed in the geographic area of Mr. Doutre's former employment and/or residence. All costs associated with the publication shall be borne by Mr. Doutre and shall be in addition to any other costs ordered by the committee.
6. THAT Mr. Doutre surrender his certificate of membership in the Institute to the discipline committee secretary within ten (10) days from the date this Decision and Order becomes final under the bylaws.

AND IT IS FURTHER ORDERED:

7. THAT Mr. Doutre be and he is hereby charged costs fixed at \$15,000 to be remitted to the Institute within twelve (12) months from the date this Decision and Order becomes final under the bylaws.

REASONS FOR THE ORDER

19. Mr. Doutre betrayed the trust given to him by his clients, defrauded them of substantial amounts of money and caused great harm to them. This egregious misconduct requires both the revocation of his membership and a substantial fine as a general deterrent.

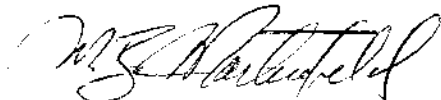
20. The fact of the revocation and fine should be made known to the public, including the public in the geographic area where he practised. Accordingly, the panel ordered the usual notice with the additional provision that notice be published in *The Globe and Mail* as well as in a newspaper distributed in the geographic area of his former place of employment and or residence.

COSTS

21. In some cases a Certificate of Conviction, and a certified transcript of the proceedings in court including the acknowledgment by the member of his criminal conduct would substantially reduce the need for and cost of an investigation. This is not one of those cases. Mr. Doutre's abandonment of his practice understandably caused complaints to the Institute which had to be investigated. The prosecution's decision to proceed based on the criminal conviction rather than on the original charges was reasonable and expeditious. However, it should not relieve Mr. Doutre of the requirement to indemnify the Institute for the costs of the investigation which was required by his misconduct. It is also relevant that Ms. Ho James' evidence included information which was not provided to the court.

22. Accordingly, the panel ordered that Mr. Doutre be charged costs fixed at \$15,000 to be remitted within 12 months from the date this Decision and Order become final.

DATED AT TORONTO THIS 29TH DAY OF MARCH, 2011
BY ORDER OF THE DISCIPLINE COMMITTEE



M.B. MARTENFELD, FCA – CHAIR
DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL:

S.M. DOUGLAS, FCA
G. HINTON (PUBLIC REPRESENTATIVE)
G. KROFCHICK, CA
R.A. WORMALD, FCA