

David Jack Wedgbury: Summary, as Published in *CheckMark*

David Jack Wedgbury, of Bolton, was found guilty of three charges under Rule 206 of failing to perform his professional services in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*. While engaged to perform an audit of a condominium corporation, Mr. Wedgbury failed to ensure that the management representation letter included all required disclosures and failed to properly document items to support his report. While engaged to perform a review of the financial statements of two companies, Mr. Wedgbury failed to properly disclose the required basis of accounting for income taxes and properly document items important to support his report. For one of the client companies, Mr. Wedgbury also failed to properly disclose the required basis of accounting for future income tax liability, and ensure adequate disclosure of related party transactions. Mr. Wedgbury was charged costs of \$7,500 and ordered to complete three professional development courses and a period of supervised practice. It was also ordered that he be reinvestigated by the Professional Conduct Committee within six months from the expiry of the period of supervised practice.

CHARGE(S) LAID re David J. Wedgbury

The Professional Conduct Committee hereby makes the following charges against David J. Wedgbury, CA, a member of the Institute:

1. THAT the said David J. Wedgbury, in or about the period December 31, 2002 through January 10, 2003, while engaged to perform an audit of York Condominium Corporation No. 564 for the year ended December 31, 2002, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
 - (a) he failed to ensure that the representations of management set out in the representation letter dated December 31, 2002 included all required disclosures; and
 - (b) he failed to properly document items important to support his report.
2. THAT the said David J. Wedgbury, in or about the period December 31, 2002 through June 18, 2003, while engaged to perform a review of the financial statements of Bolton Construction Co. Limited for the year ended December 31, 2002, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:
 - (a) he failed to properly disclose the required basis of accounting for income taxes and the future income tax liability;
 - (b) he failed to ensure adequate disclosure of related party transactions;
 - (c) he failed to properly document items important to support his report.
3. THAT the said David J. Wedgbury, in or about the period ~~March~~ **August** 31, 2003 through November 8, 2003, while engaged to perform a review of the financial statements of Fiedler Technology Ltd. for the year ended ~~March~~ **August** 31, 2003, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the *CICA Handbook*, contrary to Rule 206 of the rules of professional conduct, in that:

AMENDED AT HEARING

 - (a) he failed to properly disclose the required basis of accounting for income taxes;
 - (b) he failed to properly document items important to support his report.

Dated at Toronto, Ontario this 20th day of September, 2004.

C. D. JOUSTRA, CA - DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE

DISCIPLINE COMMITTEE re David J. Wedgbury

DECISION AND ORDER IN THE MATTER OF: Charges against **DAVID JACK WEDGBURY, CA**, a member of the Institute, under **Rule 206** of the Rules of Professional Conduct, as amended.

DECISION AND ORDER MADE FEBRUARY 10, 2005

DECISION

THAT, having seen, heard and considered the evidence, charge No. 3 having been amended at the hearing, and having heard the plea of guilty to charges Nos. 2 and 3, as amended, the Discipline Committee finds David Jack Wedgbury guilty of charges Nos. 1, 2 and 3, as amended.

ORDER

IT IS ORDERED in respect of the charges:

1. THAT Mr. Wedgbury be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Wedgbury be and he is hereby charged costs fixed at \$7,500, 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. Wedgbury be and he is hereby required to complete, by paying for and attending in their entirety, by January 31, 2006, the following professional development courses made available through the Institute, or, in the event a course listed below becomes unavailable, the successor course which takes its place:
 - (a) *Essentials of Review Engagements*;
 - (b) *Financial Statement Presentation & Disclosure: a Small Practitioner's Workshop*;
and
 - (c) *Accounting, Auditing & Professional Practice Update*.
4. THAT Mr. Wedgbury be and he is hereby required to have his practice supervised for a period of twelve (12) months, by a supervisor who has been chosen by Mr. Wedgbury but who is not a partner, associate or employee of Mr. Wedgbury; who has been approved by either the director of standards enforcement or senior counsel to the professional conduct committee; and who has agreed in writing to accept the engagement. In particular:
 - (a) Mr. Wedgbury shall, within thirty (30) days from the date this Decision and Order becomes final under the bylaws, file with the secretary of the discipline committee a supervised practice plan that has been reviewed and approved by either the director of standards enforcement or senior counsel to the professional conduct committee, and that sets out the name and the detailed responsibilities of the supervisor.

- (b) The responsibilities of the supervisor shall include, at a minimum, the review and approval of the working papers and financial statements for a sample of no less than five review engagement files.
 - (c) In the event the professional conduct committee finds Mr. Wedgbury's choice of supervisor unacceptable, or there is any other issue relating to the supervised practice plan about which Mr. Wedgbury and the professional conduct committee cannot agree, either may apply to the chair of the panel or to the chair of the discipline committee at an assignment hearing for directions.
 - (d) The twelve (12) month period of supervised practice shall commence on the day that Mr. Wedgbury files the approved supervised practice plan in accordance with paragraph 4(a) above, or on the day the supervised practice plan is settled by the chair pursuant to paragraph 4(c) above, whichever day is later.
5. THAT Mr. Wedgbury be reinvestigated by the professional conduct committee, or by a person retained by the professional conduct committee, on one occasion, within six (6) months from the expiry of the period of supervised practice ordered in paragraph 4, the cost of the reinvestigation, up to \$2,000, to be paid by Mr. Wedgbury within thirty (30) days of receiving notification of the cost of the reinvestigation.
6. THAT notice of this Decision and Order, disclosing Mr. Wedgbury'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 the Public Accountants Council for the Province of Ontario;
 - (b) to the Canadian Institute of Chartered Accountants; and
 - (c) by publication in *CheckMark*.
7. THAT in the event Mr. Wedgbury fails to comply with any of the requirements of this Order, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does comply, provided that he complies within three (3) months from the date of his suspension, and in the event he does not comply within this three (3) month period, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified above, and in a newspaper distributed in the geographic area of Mr. Wedgbury's current or former practice, employment and/or residence.

DATED AT TORONTO THIS 24TH DAY OF FEBRUARY 2005
BY ORDER OF THE DISCIPLINE COMMITTEE

BRYAN W. STEPHENSON, BA, LLB
SECRETARY – DISCIPLINE COMMITTEE

DISCIPLINE COMMITTEE re David J. Wedgbury

REASONS FOR THE DECISION AND ORDER IN THE MATTER OF: Charges against **DAVID JACK WEDGBURY, CA**, a member of the Institute, under **Rule 206** of the Rules of Professional Conduct, as amended.

REASONS FOR THE DECISION AND ORDER MADE FEBRUARY 10, 2005

1. This panel of the discipline committee of the Institute of Chartered Accountants of Ontario met on February 10, 2005 to hear charges brought by the professional conduct committee against David Jack Wedgbury, a member of the Institute.
2. The professional conduct committee was represented by Ms. Barbara Glendinning. Mr. Ray Harris, the investigator appointed by the professional conduct committee, was also present. Mr. Wedgbury was present and represented by his counsel, Ms. Lily Harmer.
3. The decision and order of the discipline committee were made known at the hearing on February 10, 2005. The formal decision, signed by the secretary on February 24, 2005, was sent to the parties that day. These reasons, given pursuant to Bylaw 574, include the charges, the decision, the order, and the reasons of this panel of the discipline committee for the decision and order.
4. The hearing was called to order and the panel and the parties were introduced. The notice of the assignment hearing dated September 29, 2004; the notice of the hearing dated October 28, 2004, and the charges dated September 20, 2004; were marked as Exhibit Nos. 1, 2 and 3, respectively. When asked if there were preliminary matters to be dealt with, Ms. Glendinning requested that charge No. 3 be amended so that in the first and third lines the date, "March 31, 2003" be changed to read "August 31, 2003." Ms. Harmer had received notice of the proposed amendment and made no objection. The charge was amended as requested.

THE CHARGES AND THE PLEA

5. The charges, made by the professional conduct committee on September 20, 2004, with charge No. 3 as amended at this hearing, read as follows:
 1. THAT the said David J. Wedgbury, in or about the period December 31, 2002 through January 10, 2003, while engaged to perform an audit of York Condominium Corporation No. 564 for the year ended December 31, 2002, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the CICA Handbook, contrary to Rule 206 of the rules of professional conduct, in that:
 - (a) he failed to ensure that the representations of management set out in the representation letter dated December 31, 2002 included all required disclosures; and
 - (b) he failed to properly document items important to support his report.

2. THAT the said David J. Wedgbury, in or about the period December 31, 2002 through June 18, 2003, while engaged to perform a review of the financial statements of Bolton Construction Co. Limited for the year ended December 31, 2002, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the CICA Handbook, contrary to Rule 206 of the rules of professional conduct, in that:
 - (a) he failed to properly disclose the required basis of accounting for income taxes and the future income tax liability;
 - (b) he failed to ensure adequate disclosure of related party transactions;
 - (c) he failed to properly document items important to support his report.
3. THAT the said David J. Wedgbury, in or about the period August 31, 2003 through November 8, 2003, while engaged to perform a review of the financial statements of Fiedler Technology Ltd. for the year ended August 31, 2003, failed to perform his professional services in accordance with generally accepted standards of practice of the profession, including the Recommendations set out in the CICA Handbook, contrary to Rule 206 of the rules of professional conduct, in that:
 - (a) he failed to properly disclose the required basis of accounting for income taxes;
 - (b) he failed to properly document items important to support his report.
6. Mr. Wedgbury entered a plea of not guilty to charge No. 1 and a plea of guilty to charges Nos. 2 and 3. He confirmed that he understood that upon the basis of his plea of guilty to charges No. 2 and No. 3, and on that basis alone, he could be found guilty of those charges.

THE CASE FOR THE PROFESSIONAL CONDUCT COMMITTEE

7. Ms. Glendinning gave an overview of the case for the professional conduct committee and filed a Document Brief (Exhibit No. 4), which included the financial statements of each of the three different corporations referred to in the three charges and the representation letter referred to in charge No. 1.
8. Ms. Glendinning called Mr. Harris as a witness. She filed a copy of his curriculum vitae (Exhibit No. 5) and asked that he be qualified to give expert evidence. Ms. Harmer had no objection and Mr. Harris was recognized as an expert witness qualified to give opinion evidence.

9. Mr. Harris testified that he had been appointed to investigate Mr. Wedgbury's conduct by the professional conduct committee on March 4, 2004. He was given a report from the practice inspection committee and information which identified Mr. Wedgbury and the client referred to in the report, York Condominium Corporation No. 564 (York). He was asked to look at Mr. Wedgbury's file for York and to select at random another audit file and a review file. As York was Mr. Wedgbury's only audit file, Mr. Harris selected two review files, namely, Bolton Construction Co. Limited (Bolton) for the year ended December 31, 2002, and Fielder Technology Ltd. (Fielder) for the year ended August 31, 2003. Mr. Wedgbury had signed the review engagement report which was attached to the financial statements for Bolton, the review engagement report which was attached to the financial statements for Fielder, and the audit report attached to the financial statements for York.

10. Mr. Harris reviewed the documents at Tabs 1 and 2 of the document brief which related to York and identified four deficiencies with the representation letter received by Mr. Wedgbury from York and three deficiencies with respect to documentation of the substantive work which Mr. Wedgbury did. It was Mr. Harris' opinion that in performing his professional services with respect to the audit for the year ending December 31, 2002, Mr. Wedgbury had failed to perform his professional services in accordance with generally accepted standards of the profession, including the recommendations set out in the CICA Handbook.

11. With respect to charges Nos. 2 and 3, Mr. Harris reviewed the relevant financial statements and identified the failures particularized in the two charges. Mr. Harris expressed the opinion that Mr. Wedgbury had failed to perform his professional services in accordance with the generally accepted standards of practice of the profession as alleged in each of charges Nos. 2 and 3.

12. Ms. Harmer cross-examined Mr. Harris with respect to his evidence concerning charge No. 1. Mr. Harris acknowledged that the CICA Handbook requirement with respect to the representation concerning possible fraud came into effect for financial statements ending on or after December 15, 2002, just two weeks before Mr. Wedgbury commenced his audit. Mr. Harris also gave the specific dates when the Handbook established the requirements for the representation letter with respect to illegal acts, related parties and claims or potential claims, the other three deficiencies of the representation letter. These three requirements had been in effect for many years.

13. Mr. Harris acknowledged that it would have been relatively simple for Mr. Wedgbury to document the substantive procedures he followed in doing the audit. In a brief re-examination by Ms. Glendinning, Mr. Harris confirmed that his opinion had not changed and that the deficiencies with respect to the representation letter and the documentation, and in particular the failure to properly document the corporation's largest single asset, a Certificate of Investment, that Mr. Wedgbury had failed to perform his services in accordance with the standards of the profession.

14. Ms. Harmer did not call any evidence with respect to the question of guilt or innocence on the charges.

15. In response to questions from the panel, Mr. Harris said that he believed Mr. Wedgbury had done the substantive work – basically reviewed the financial statements on a line by line basis with his client and had the client confirm the relevant facts – and that his failure related only to the lack of documentation with respect to this substantive work.

SUBMISSIONS WITH RESPECT TO GUILT OR INNOCENCE

16. Ms. Glendinning made submissions with respect to all three charges. She noted that with respect to charges Nos. 2 and 3, the member acknowledged his misconduct and entered a plea of guilty. With respect to charge No. 1, she noted that while the member denied that the facts constituted professional misconduct, he did acknowledge that the facts alleged were true.

17. In addressing the issue of whether or not Mr. Wedgbury's standard of practice had departed from the required standard to such an extent that it warranted a finding of guilty, Ms. Glendinning emphasized that Mr. Harris' investigation followed three practice inspections. In her submission, while the representation letter had been properly amended when Mr. Harris met with Mr. Wedgbury in May, 2004, it was important to remember it was not until then that it was amended. Ms. Glendinning submitted that Mr. Wedgbury, in failing to bring his practice up to the required level even after the three practice inspections, was guilty of professional misconduct.

18. Ms. Harmer made submissions with respect to charge No. 1. She submitted that the breaches of the required standard as alleged in the charge and as disclosed by the evidence were not so egregious as to warrant a finding of professional misconduct. She characterized the breaches as technical in nature. She stressed the breach with respect to the representation letter had already been corrected, and that the failure to document the substantive work actually done, as Mr. Harris acknowledged in cross-examination, would have been rectified if Mr. Wedgbury had simply made a note of what he had done. In her view, these minor matters did not warrant a finding of professional misconduct.

DECISION ON THE CHARGES

19. The parties left the Council Chamber and the panel deliberated with respect to the question of whether or not Mr. Wedgbury was guilty of the charges.

20. We concluded that the professional conduct committee had proven the allegations set out in charges Nos. 1, 2 and 3. With respect to charges Nos. 2 and 3, we concluded the member correctly recognized that his departure from the required standard constituted professional misconduct.

21. With respect to charge No. 1, we did not accept Ms. Harmer's characterization of the breach as "technical in nature". We did agree that it would have been relatively easy (or indeed very easy), for Mr. Wedgbury to comply with the requirements of the profession. Further, he underwent a practice inspection and two reinspections and should have been fully aware of the requirements and made sure that they were satisfied. We concluded in the circumstances the departures from the required standard were significant enough to constitute professional misconduct and Mr. Wedgbury was found guilty of charge No. 1 as well.

22. When the hearing reconvened, the Chair read the following decision into the record:

THAT, having seen, heard and considered the evidence, charge No. 3 having been amended at the hearing, and having heard the plea of guilty to charges Nos. 2 and 3, as amended, the Discipline Committee finds David Jack Wedgbury guilty of charges Nos. 1, 2 and 3, as amended.

SANCTION

23. Neither party called evidence with respect to sanction. Both counsel made submissions as to the appropriate order.

24. Ms. Glendinning asked for an order which included a reprimand; specified professional development courses; supervision of Mr. Wedgbury's practice for one year, such supervision to include both audit and review engagements; a re-investigation for which Mr. Wedgbury would bear the cost to a maximum of \$2,000; and that the usual notice be published, disclosing Mr. Wedgbury's name, in CheckMark. Ms. Glendinning asked that the order include a term providing that Mr. Wedgbury pay costs in the amount of \$7,500.

25. In Ms. Glendinning's submission, the principles of sanction which were most important in this particular case were specific deterrence and rehabilitation. She submitted that until the reinvestigation establishes that Mr. Wedgbury is rehabilitated, it was necessary that a term of the order protect the public from substandard practice. Ms. Glendinning also submitted that notice of the order would provide an element of general deterrence. Ms. Glendinning specifically said that the professional conduct committee did not seek a fine as there was no moral turpitude and it recognized that the cost of the courses, supervised practice and the reinvestigation would have a considerable financial impact on Mr. Wedgbury.

26. Ms. Glendinning referred to a number of cases where an order had been made for supervised practice, including Allouba, McInnis, and David Gray, and the recent case involving Donald Smith, Mr. Wedgbury's partner.

27. Ms. Harmer addressed only two issues, the proposed requirement for supervision and the quantum of the requested costs. Ms. Harmer emphasized that there was no issue with respect to the reprimand or the courses requested.

28. In Ms. Harmer's view, the order sought was too onerous, particularly in light of the order that had been made the week before with respect to Mr. Smith. She reviewed cases where supervision had been ordered, particularly Hyun and Vroom and submitted that the conduct in those cases was significantly more egregious than Mr. Wedgbury's misconduct. In her submission, reinvestigation in itself was enough to ensure that Mr. Wedgbury would complete his rehabilitation.

29. Whereas Ms. Glendinning expressed the view that a cost award in the neighbourhood of \$5,000 to \$10,000 was appropriate, and specifically requested an order for costs of \$7,500, Ms. Harmer submitted that costs of \$3,000 was more appropriate. She pointed out that the case was related to the case which was heard the week before and submitted that there should be an economy of scale rather than the award for costs sought which she submitted was too onerous.

30. Ms. Glendinning did make a brief reply. She commented on the Hyun and the Vroom cases and submitted that neither arose as a result of practice inspection. She emphasized that Mr. Wedgbury's conduct had to be seen in light of the fact that there had been a practice inspection and two reinspections.

ORDER WITH RESPECT TO SANCTION

31. After deliberating, the hearing resumed and the Chair summarized for the record the terms of the order. The formal written order, which was sent to the parties on February 24, 2005, provided as follows:

ORDER

IT IS ORDERED in respect of the charges:

1. THAT Mr. Wedgbury be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Wedgbury be and he is hereby charged costs fixed at \$7,500, 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. Wedgbury be and he is hereby required to complete, by paying for and attending in their entirety, by January 31, 2006, the following professional development courses made available through the Institute, or, in the event a course listed below becomes unavailable, the successor course which takes its place:
 - (a) *Essentials of Review Engagements*;
 - (b) *Financial Statement Presentation & Disclosure: a Small Practitioner's Workshop*;
and
 - (c) *Accounting, Auditing & Professional Practice Update*.
4. THAT Mr. Wedgbury be and he is hereby required to have his practice supervised for a period of twelve (12) months, by a supervisor who has been chosen by Mr. Wedgbury but who is not a partner, associate or employee of Mr. Wedgbury; who has been approved by either the director of standards enforcement or senior counsel to the professional conduct committee; and who has agreed in writing to accept the engagement. In particular:
 - (a) Mr. Wedgbury shall, within thirty (30) days from the date this Decision and Order becomes final under the bylaws, file with the secretary of the discipline committee a supervised practice plan that has been reviewed and approved by either the director of standards enforcement or senior counsel to the professional conduct committee, and that sets out the name and the detailed responsibilities of the supervisor.
 - (b) The responsibilities of the supervisor shall include, at a minimum, the review and approval of the working papers and financial statements for a sample of no less than five review engagement files.

- (c) In the event the professional conduct committee finds Mr. Wedgbury's choice of supervisor unacceptable, or there is any other issue relating to the supervised practice plan about which Mr. Wedgbury and the professional conduct committee cannot agree, either may apply to the chair of the panel or to the chair of the discipline committee at an assignment hearing for directions.
 - (d) The twelve (12) month period of supervised practice shall commence on the day that Mr. Wedgbury files the approved supervised practice plan in accordance with paragraph 4(a) above, or on the day the supervised practice plan is settled by the chair pursuant to paragraph 4(c) above, whichever day is later.
- 5. THAT Mr. Wedgbury be reinvestigated by the professional conduct committee, or by a person retained by the professional conduct committee, on one occasion, within six (6) months from the expiry of the period of supervised practice ordered in paragraph 4, the cost of the reinvestigation, up to \$2,000, to be paid by Mr. Wedgbury within thirty (30) days of receiving notification of the cost of the reinvestigation.
 - 6. THAT notice of this Decision and Order, disclosing Mr. Wedgbury'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 the Public Accountants Council for the Province of Ontario;
 - (b) to the Canadian Institute of Chartered Accountants; and
 - (c) by publication in CheckMark.
 - 7. THAT in the event Mr. Wedgbury fails to comply with any of the requirements of this Order, he shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as he does comply, provided that he complies within three (3) months from the date of his suspension, and in the event he does not comply within this three (3) month period, he shall thereupon be expelled from membership in the Institute, and notice of his expulsion, disclosing his name, shall be given in the manner specified above, and in a newspaper distributed in the geographic area of Mr. Wedgbury's current or former practice, employment and/or residence.

REPRIMAND

32. The panel ordered that Mr. Wedgbury be reprimanded in writing by the chair of the hearing in order to stress the unacceptable nature of his actions.

SUPERVISED PRACTICE, PROFESSIONAL DEVELOPMENT COURSES & REINVESTIGATION

33. The panel had concerns about Mr. Wedgbury's demonstrated lack of understanding of the accounting and auditing requirements of the profession and decided that an order intended chiefly to help facilitate Mr. Wedgbury's rehabilitation was appropriate, but only with adequate protection for the public by way of supervised practice and reinvestigation. The panel strongly encourages Mr. Wedgbury to learn from this experience with the discipline process, and to take the necessary steps to ensure that he rectifies the deficiencies in his practice. The professional development courses and the reinspection were not opposed by Mr. Wedgbury and the terms of the order are as requested.

34. With respect to supervised practice, the term of the order makes it clear that Mr. Wedgbury's practice will be supervised for a period of 12 months with respect to five review engagements. Ms. Harmer, in submitting that supervised practice was an unreasonable requirement, rightly pointed out that the charges do not involve moral turpitude. While we disagreed with her characterizations of Mr. Wedgbury's failures to adhere to the standard as minor or technical in nature, we did agree that they could have been easily rectified. But they were not. The order in this case must be seen in the light of a practice inspection and two reinspections. While there was no moral turpitude, there was, in effect, a baffling failure to rectify the identified problems. The panel concluded the public was entitled to a measure of protection and the profession is entitled to some certainty that Mr. Wedgbury will adhere to the required standard. Accordingly, supervised practice was ordered.

35. In an earlier hearing involving Mr. Smith, Mr. Wedgbury's partner, a request was made that the supervisor be one of Mr. Smith's partners. The panel of the discipline committee hearing the case rejected that request and this panel thinks they were right to do so. Accordingly, our order specifically says that the supervisor is not to be a partner, associate or employee of Mr. Wedgbury.

36. The panel agreed with the recommendation of the professional conduct committee that in light of the costs of the supervised practice and reinvestigation, a fine was not required.

NOTICE

37. Publishing names of members found guilty of professional misconduct is often the single most significant sanction that can be administered, and is one which addresses both the individual issues of specific deterrence and rehabilitation, and the wider needs of general deterrence and education of the membership at large. The panel therefore ordered the normal publication of these proceedings.

COSTS

38. The panel was concerned about the total financial burden which Mr. Wedgbury and his partner, Mr. Smith, would bear as a result of the proceedings. However, the panel was also aware that Mr. Wedgbury and Mr. Smith had requested separate hearings and accordingly, could not reasonably complain about the costs of the second hearing. In the circumstances, the panel concluded that a costs award of \$7,500 was reasonable. We recognized that there are occasions when the costs awarded for a one day hearing are less than \$7,500. However, the costs of the day's hearing in this case, on a partial indemnity scale, are at least \$7,500 and the circumstances of this case did not warrant a reduction below \$7,500.

FAILURE TO COMPLY – SUSPENSION AND ULTIMATELY EXPULSION

39. An order which did not provide for consequences to the member in the event he or she did not comply with the order would be meaningless. Accordingly, the usual provision for a period of suspension in the event of a failure to comply, and ultimate expulsion if the failure continues, was included in the order.

DATED AT TORONTO THIS 12th DAY OF MAY, 2005
BY ORDER OF THE DISCIPLINE COMMITTEE

H.B. BERNSTEIN, CA – DEPUTY CHAIR
THE DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL:

M.S. LEIDERMAN, CA
L.G.P. BOURGON, CA
J.R.G. STAPLETON, CA
N.A. MACDONALD EXEL, CA
V. INGLIS (Public representative)