

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO  
*THE CHARTERED ACCOUNTANTS ACT, 1956*

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** Charges against **DEANNE LYNNE METZLOFF, CA**, a member of the Institute, under Rules 104 and 203.2(a) of the Rules of Professional Conduct, as amended.

**TO:** Deanne Lynne Metzloff, CA

**AND TO:** The Professional Conduct Committee, ICAO

**REASONS**

(Decision and Order Made June 2, 2010)

1. This panel of the Discipline Committee of the Institute of Chartered Accountants of Ontario met on June 2, 2010, to hear charges of professional misconduct brought by the Professional Conduct Committee against Deanne Lynne Metzloff, a member of the Institute.
2. Alexandra Hersak appeared on behalf of the Professional Conduct Committee. Ms. Metzloff was not represented by counsel and did not attend.
3. The panel was satisfied that Ms. Metzloff had received notice of the hearing and that it would be appropriate to proceed in her 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 June 3, 2010. These reasons, given pursuant to Bylaw 574, contain the charges, the decision, the order, and the reasons of the Discipline Committee for its decision and order.

**CHARGES**

5. The following charges were laid against Ms. Metzloff by the Professional Conduct Committee on March 9, 2010:
  1. THAT the said Deanne L. Metzloff, in or about the period September 30, 2009 to February 9, 2010, failed to co-operate with officers, servants or agents of the Institute who have been appointed to arrange or conduct a practice inspection, contrary to Rule 203.2(a) of the Rules of Professional Conduct.
  2. THAT the said Deanne L. Metzloff, in or about the period November 10, 2009 to February 9, 2010, failed to promptly reply in writing to a letter from the Institute to which a written reply is specifically required, in that she failed to reply to letters dated October 27, 2009 and December 8, 2009 from Ms.

Tatiana Rabinovitch, CA, Associate Director of Standards Enforcement at the Institute, contrary to Rule 104 of the Rules of Professional Conduct.

## **PLEA**

6. As Ms. Metzloff was not present, the Chair entered a plea of not guilty to each of the charges on her behalf.

## **EVIDENCE**

7. The Professional Conduct Committee filed the Affidavit of Grant Dickson, FCA, Director of Practice Inspection (Exhibit 3), and the Affidavit of Tatiana Rabinovitch, CA, Associate Director of Standards Enforcement (Exhibit 4).

## **FACTS**

8. Based on the evidence, this panel finds that Ms. Metzloff's practice was selected for practice inspection, and that she failed to provide her quality control manual, certain client working paper files, and a copy of her continuing professional development log as required by Practice Inspection.

9. This panel further finds that Practice Inspection referred the matter to the Professional Conduct Committee for investigation, and that Ms. Metzloff failed to reply to letters sent by the Associate Director of Standards Enforcement during the course of that investigation.

## **FINDING**

10. The *Rules of Professional Conduct* and, in particular, Rule 203.2(a), require Ms. Metzloff to cooperate with a practice inspection. Her continued failure to provide the documents necessary for that inspection is professional misconduct.

11. The *Rules* and, specifically, Rule 104, require Ms. Metzloff to respond to letters sent on behalf of the Institute. She failed to do so. This was not a momentary lapse or brief delay in replying. Ms. Metzloff ignored the requirements of the Institute. That constitutes professional misconduct.

## **DECISION**

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

THAT, having determined to proceed with the hearing in the absence of Ms. Metzloff, pursuant to Bylaw 560, being satisfied that she had proper notice of the hearing, and having entered on her behalf a plea of not guilty to the charges, as amended and having seen, heard and considered the evidence, the Discipline Committee finds Ms. Deanne Lynne Metzloff guilty of the charges.

## **SANCTION**

13. The Professional Conduct Committee sought a sanction of: a reprimand in writing; a fine of \$3,000; an order that Ms. Metzloff cooperate with Practice Inspection within 10 days; and the

usual order with respect to publication. It also sought costs of the investigation and hearing on a partial indemnity basis, and filed a Costs Outline (Exhibit 5).

14. Ms. Hersak submitted that Ms. Metzloff has wasted the time and resources of the Institute by her failure to abide by her responsibilities. The failures are not trivial, but strike at the heart of effective self-governance. Her lack of communication or engaging in the Institute's processes must raise an issue of governability.

15. As Ms. Metzloff has no discipline history, the Professional Conduct Committee did not seek expulsion or suspension, except as a consequence of her continuing to fail to cooperate with the Institute's regulatory processes.

## **ORDER**

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

IT IS ORDERED in respect of the charges:

1. THAT Ms. Metzloff be reprimanded in writing by the chair of the hearing.
2. THAT Ms. Metzloff be and she is hereby fined the sum of \$3,000 to be remitted to the Institute within thirty (30) days from the date this Decision and Order becomes final under the bylaws.
3. THAT Ms. Metzloff cooperate by providing to the Director of Practice Inspection the Quality Control Manual, the client working paper files and all other requested information, as referenced in the letter to Ms. Metzloff from the Coordinator of Practice Inspection dated August 20, 2009, within ten (10) days from the date this Decision and Order becomes final under the bylaws.
4. THAT notice of this Decision and Order, disclosing Ms. Metzloff'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;
  - (b) to the Public Accountants Council for the Province of Ontario; and
  - (c) to all provincial institutes/Ordre;and shall be made available to the public.

IT IS FURTHER ORDERED:

5. THAT Ms. Metzloff be and she is hereby charged costs fixed at \$2,000 to be remitted to the Institute within thirty (30) days from the date this Decision and Order becomes final under the bylaws.

AND IT IS FURTHER ORDERED:

6. THAT in the event Ms. Metzloff fails to comply with any of the requirements of this Order, she shall thereupon be suspended from the rights and privileges of membership in the Institute until such time as she does comply,

provided that she complies within three (3) months from the date of her suspension, and in the event she does not comply within the three month period, she shall thereupon be expelled from membership in the Institute, and notice of her expulsion, disclosing her name, shall be given in a newspaper distributed in the geographic area of Ms. Metzloff's practice. All costs associated with the publication shall be borne by Ms. Metzloff and shall be in addition to any other costs ordered by the committee.

## **REASONS**

17. The practice inspection program was established and is continued in the public interest to ensure that members practising public accounting do so in accordance with the standards of the profession. Without the effective operation of that program, the public is placed at risk. It is unacceptable that Ms. Metzloff should, by her failing to cooperate with her governing body, be able to thwart the objectives of practice inspection. A self-governing profession cannot operate if its members refuse to submit to governance. Neither can the public trust be maintained.

18. There are many privileges of being a chartered accountant. There are also responsibilities. If Ms. Metzloff refuses to accept those responsibilities, she cannot remain a member. The consequences of not responding to reasonable, far from onerous, requests can be severe and may have significant consequences for a professional. Should Ms. Metzloff not cooperate with practice inspection, the profession cannot bear the risk of her remaining a member of the profession. The choice is hers.

19. Publishing the names of members found guilty of professional misconduct is often the single most significant sanction that may be imposed on a member and is often the most effective general deterrent. The notice serves both to inform the membership at large and offers a measure of protection to the public.

20. Ms. Metzloff caused the investigation and hearing, by her own conduct. It is appropriate that she, as opposed to the membership as a whole, bear a portion of the costs of that investigation and hearing.

DATED AT TORONTO THIS 21<sup>st</sup> DAY OF JUNE, 2010  
BY ORDER OF THE DISCIPLINE COMMITTEE

S.F. DINELEY, FCA – DEPUTY CHAIR  
DISCIPLINE COMMITTEE

### MEMBERS OF THE PANEL:

R. FERNANDES, CA  
B. SOLWAY (PUBLIC REPRESENTATIVE)  
R. WORMALD, FCA