

## **George Myron Kalba: Summary, as Published in *CheckMark***

**George Myron Kalba**, of Toronto, was found guilty of five charges of professional misconduct, under Rules 202, 204.1, 206.2 and 206.3 He accepted an audit engagement under circumstances in which he had a relationship that could have impaired his professional judgment or objectivity. In carrying out the audit engagement, he expressed an opinion without reservation on the financial statements, when those statements were not prepared in accordance with the accounting standards of the profession. He failed to comply in all material respects with generally accepted auditing standards, and failed to perform his professional services in relation to the engagement with due care. Mr. Kalba was fined \$5,000, suspended for three months, and ordered to take certain professional development courses. Since he was not in public practice at the date of the hearing, it was also ordered that Mr. Kalba be re-examined by the professional conduct committee should he return to public practice within a specified time.

Mr. Kalba returned to MEMBERSHIP IN GOOD STANDING on July 12, 1994

## CHARGE(S) LAID re George M. Kalba

The Professional Conduct Committee hereby makes the following charges against George M. Kalba, CA, a member of the Institute:

1. THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, while engaged as an auditor to express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986, failed to hold himself free of any influence, interest or relationship which, in respect of the engagement, impaired his professional judgement or objectivity or which, in the view of a reasonable observer, would impair his professional judgment or objectivity, contrary to Rule 204.1 of the rules of professional conduct, in that during the course of the engagement his father was a member of the Board of Directors and the treasurer of Saint Nicholas Parish (Toronto) Credit Union Limited.
2. THAT, the said George, Kalba, on or about the 2<sup>nd</sup> day of March 1987, did express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 when he had failed to comply in all material respects with generally accepted auditing standards of the profession, contrary to Rule 206.2 of the rules of professional conduct, in that:
  - (a) he failed to adequately plan and properly execute the work;
  - (b) he failed to conduct an appropriately organized study and evaluation of those internal controls on which he subsequently relied in determining the nature, extent and timing of auditing procedures;
  - (c) he failed to obtain sufficient appropriate audit evidence to support the balance sheet item "Loans to Members – Line of Credit & Overdrafts \$444,652";
  - (d) he failed to obtain sufficient appropriate audit evidence to support the balance sheet item "Loans to Members – Personal \$255,696";
  - (e) he failed to obtain sufficient appropriate audit evidence to support the balance sheet item "Loans to Members – Mortgage \$12,304,826";
  - (f) he failed to ascertain the value of underlying security for delinquent mortgage loans;
  - (g) he failed to document matters which are important in providing evidence to support the content of his report.
3. THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, expressed an opinion without reservation on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 and did thereby fail to perform his professional services with due care, contrary to Rule 202 of the rules of professional conduct, in that:
  - ~~(a) he failed to properly satisfy himself that the allowance for doubtful accounts was calculated in accordance with the regulations governing Credit Unions; and~~

- (b) he failed to properly satisfy himself that an error in prior period financial statements was corrected and the comparative year was restated to reflect the correction.
- 4. THAT, the said George M. Kalba, on or about the 2<sup>nd</sup> day of March 1987, did express an opinion without reservation on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 when those statements were not prepared in accordance with the accounting standards of the profession, contrary to Rule 206.3 of the rules of professional conduct, in that:
  - (a) the appropriate allowance for doubtful accounts had not been deducted from loans receivable;
  - (b) accrued interest on delinquent mortgage loans had not been charged against revenue; and
  - (c) losses incurred in the year had not been accounted for as an expense incurred in the current year.
- 5. THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, while engaged as the auditor to express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 failed to perform his professional services with due care, contrary to Rule 202 of the rules of professional conduct, in that:
  - (a) he failed to review or approve the annual report prior to publishing in order to determine whether the financial statements and his report thereon were accurately reproduced in the annual report;  
  
include in a management letter reference to an
  - (b) he failed to ~~report to the regulator and the insurer~~ the apparent contravention of applicable governmental statutes, regulations and the Saint Nicholas Credit Union bylaws limiting total the amounts that could be loaned by the Credit Union through mortgages and personal loans to any one individual; and  
  
include in a management letter reference to
  - (c) he failed to ~~report to the regulator and the insurer~~ those accounts of the credit union which were in overdraft positions and thereby contravened applicable governmental statutes including the Credit Unions and *Caisse Populaire Act*.

DATED at Toronto this 28<sup>th</sup> day of September 1993.

J.L.M. BADALI, FCA – CHAIR  
PROFESSIONAL CONDUCT COMMITTEE

## APPENDIX “A”

The Professional Conduct Committee hereby makes the following charges against George M. Kalba, CA, member of the Institute:

1. THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, while engaged as an auditor to express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986, failed to hold himself free of any influence, interest or relationship which, in respect of the engagement, impaired his professional judgment or objectivity or which, in the view of a reasonable observer, would impair his professional judgment or objectivity, contrary to Rule 204.1 of the rules of professional conduct, in that during the course of the engagement his father was a member of the Board of Directors and the treasurer of Saint Nicholas Parish (Toronto) Credit Union Limited.
2. THAT, the said George M. Kalba, on or about the 2<sup>nd</sup> day of March 1987, did express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 when he had failed to comply in all material respects with generally accepted auditing standards of the profession, contrary to Rule 206.2 of the rules of professional conduct, in that:
  - (a) he failed to adequately plan and properly execute the work;
  - (b) he failed to conduct an appropriately organized study evaluation of those internal controls on which he subsequently relied in determining the nature, extent and timing of auditing procedures;
  - (c) he failed to obtain sufficient appropriate audit evidence to support the balance sheet item “Loans to Members – Lines of Credit & Overdrafts \$444,652”;
  - (d) he failed to obtain sufficient appropriate audit evidence to support the balance sheet item “Loans to Members – Personal \$255,696”;
  - (e) he failed to obtain sufficient appropriate audit evidence to support the balance sheet item “Loans to Members – Mortgage \$12,304,826”;
  - (f) he failed to ascertain the value of underlying security for delinquent mortgage loans; and
  - (g) he failed to document matters which are important in providing evidence to support the content of his report.
3. THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, expressed an opinion without reservation on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 and did thereby fail to perform his professional services with due care, contrary to Rule 202 of the rules of professional conduct, in that:
  - (a) he failed to properly satisfy himself that the allowance for doubtful accounts was calculated in accordance with ~~the regulations governing Credit Unions~~ the Ontario Share and Deposit Insurance Corporation bylaws; and

- (b) he failed to properly satisfy himself that an error in prior period financial statements was corrected and the comparative year was restated to reflect the correction.
4. THAT, the said George M. Kalba, on or about the 2<sup>nd</sup> day of March 1987, did express an opinion without reservation on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 when those statements were not prepared in accordance with the accounting standards of the profession, contrary to Rule 206.3 of the rules of professional conduct, in that:
- (a) the appropriate allowance for doubtful accounts had not been deducted from loans receivable;
  - (b) accrued interest on delinquent mortgage loans had not been charged against revenue; and
  - (c) losses incurred in the year had not been accounted for as an expense incurred in the current year.
5. THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, while engaged as the auditor to express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 failed to perform his professional services with due care, contrary to Rule 202 of the rules of professional conduct, in that:
- (a) he failed to review or approve the annual report prior to publishing in order to determine whether the financial statements and his report thereon were accurately reproduced in the annual report;
  - (b) he failed to ~~report to the regulator and the insurer the~~ include in a management letter reference to an apparent contravention of applicable governmental statutes, or regulation and the Saint Nicholas Credit Union bylaws limiting the total amounts that could be loaned by the Credit Union through mortgages and personal loans to any one individual; and
  - (c) he failed to ~~report to the regulator and the insurer~~ include in a management letter reference to those accounts of the credit union which were in overdraft positions and thereby contravened applicable governmental statutes including the Credit Unions and Caisse Populaires Act.

DATED at Toronto this \_\_\_\_ day of \_\_\_\_ 1993.

J.L.M. BADALI, FCA – CHAIR  
PROFESSIONAL CONDUCT COMMITTEE

## **DISCIPLINE COMMITTEE re George Myron Kalba**

**DECISION AND ORDER IN THE MATTER OF:** Charges against **GEORGE MYRON KALBA, CA**, a member of the Institute, under **Rules 202, 204.1, 206.2 and 206.3** of the Rules of Professional Conduct, as amended.

### **DECISION AND ORDER MADE DECEMBER 20, 1993**

#### **DECISION**

THAT, having seen, heard and considered the evidence, including the agreed statement of facts, filed, particular (a) of charge No. 3 having been withdrawn, and particulars (b) and (c) of charge No. 5 having been amended on consent, and having heard the plea of guilty to charges Nos. 1, 2, 3, 4 and 5, as amended, THE DISCIPLINE COMMITTEE FINDS George Myron Kalba guilty of charges Nos. 1, 2, 3, 4 and 5, as amended.

#### **ORDER**

IT IS ORDERED in respect of the charges:

1. THAT Mr. Kalba be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Kalba be and he is hereby fined the sum of \$5,000, to be remitted to the Institute within eighteen (18) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Kalba be suspended from the rights and privileges of membership in the Institute for a period of three (3) months from the date this Decision and Order becomes final under the bylaws.
4. THAT Mr. Kalba be and he is hereby required to complete, by attending in their entirety, within two (2) years from the date this Decision and Order becomes final under the bylaws, the following professional development courses made available through the Institute:
  1. Auditing Refresher;
  2. Accounting and Auditing Update;
  3. Internal Control - The New Standard; and
  4. Materiality and Audit Risk,

or, in the event a course listed above becomes unavailable, the successor course which takes its place.

5. THAT in the event Mr. Kalba returns to public practice within two (2) years from the date this Decision and Order becomes final under the bylaws, he be reinvestigated by the professional conduct committee, or by a person retained by the professional conduct committee, on one occasion, the costs of the reinvestigation, up to \$2,000, to be paid by Mr. Kalba.
6. THAT notice of this Decision and Order, disclosing Mr. Kalba's name, be given after this Decision and Order becomes final under the bylaws:

- (a) by publication in *CheckMark*;
- (b) to the Public Accountants Council for the Province of Ontario; and
- (c) to the Canadian Institute of Chartered Accountants.

7. THAT Mr. Kalba surrender his certificate of membership in the Institute to the registrar of the Institute within ten (10) days from the date this Decision and Order becomes final under the bylaws, to be held by the registrar during the period of suspension and thereafter returned to Mr. Kalba.
8. THAT in the event Mr. Kalba fails to comply with any of the requirements of this Order within the time periods specified, he shall thereupon be suspended from the rights and privileges of membership in the Institute, and notice of his suspension, disclosing his name, shall be given in the manner specified in paragraph 6 hereof.
9. THAT in the event Mr. Kalba is suspended pursuant to paragraph 8 hereof, the suspension shall terminate upon his compliance with all the terms of the Order, provided that he complies within three (3) months from the date of his suspension.
10. THAT in the event Mr. Kalba fails to terminate a suspension imposed pursuant to paragraph 8 hereof within the three (3) month period specified in paragraph 9, 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 in paragraph 6 hereof.

DATED AT TORONTO THIS 5TH DAY OF JANUARY, 1994  
BY ORDER OF THE DISCIPLINE COMMITTEE

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

## **DISCIPLINE COMMITTEE re George Myron Kalba**

**REASONS FOR THE DECISION AND ORDER IN THE MATTER OF:** Charges against **GEORGE MYRON KALBA, CA**, a member of the Institute, under **Rules 202, 204.1, 206.2 and 206.3** of the Rules of Professional Conduct, as amended.

### **WRITTEN REASONS FOR THE DECISION AND ORDER MADE DECEMBER 20, 1994**

These proceedings before this panel of the discipline committee of the Institute of Chartered Accountants of Ontario were originally convened on November 22, 1993. At that time, however, the matter was adjourned, at the request of the member, and was reconvened on December 20, 1993.

Mr. Paul F. Farley attended on behalf of the professional conduct committee. Mr. Kalba attended with his counsel, Mr. John D. Marshall and Mr. Stephen M. Werbowyj.

Five charges had been laid against Mr. Kalba under the rules of professional conduct. They all related to one specific audit engagement. The first charge was under Rule of Professional Conduct 204.1, and alleged that he accepted the audit engagement in circumstances in which he had a relationship which could have impaired his professional judgment or objectivity. The second charge was under Rule of Professional Conduct 206.2, and alleged that, in carrying out the said audit engagement, he failed to comply in all material respects with generally accepted auditing standards of the profession. The third and fifth charges alleged that, contrary to Rule of Professional Conduct 202, he failed to perform his professional services in respect of the engagement with due care. The fourth charge alleged that he expressed an opinion without reservation on the financial statements that were the subject of the audit engagement when those statements were not prepared in accordance with the accounting standards of the profession, contrary to Rule of Professional Conduct 206.3.

Following the withdrawal of one of the particulars by the professional conduct committee, and the amendment of two other particulars on consent, Mr. Kalba pled guilty to the charges, which read as follows:

1. *THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, while engaged as an auditor to express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986, failed to hold himself free of any influence, interest or relationship which, in respect of the engagement, impaired his professional judgment or objectivity or which, in the view of a reasonable observer, would impair his professional judgment or objectivity, contrary to Rule 204.1 of the rules of professional conduct, in that during the course of the engagement his father was a member of the Board of Directors and the treasurer of Saint Nicholas Parish (Toronto) Credit Union Limited.*
2. *THAT, the said George M. Kalba, on or about the 2nd day of March 1987, did express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 when he had failed to comply in all material respects with generally accepted auditing standards of the profession, contrary to Rule 206.2 of the rules of professional conduct, in that:*
  - (a) *he failed to adequately plan and properly execute the work;*



- (b) *he failed to conduct an appropriately organized study and evaluation of those internal controls on which he subsequently relied in determining the nature, extent and timing of auditing procedures;*
  - (c) *he failed to obtain sufficient appropriate audit evidence to support the balance sheet item "Loans to Members - Lines of Credit & Overdrafts \$444,652";*
  - (d) *he failed to obtain sufficient appropriate audit evidence to support the balance sheet item "Loans to Members - Personal \$255,696";*
  - (e) *he failed to obtain sufficient appropriate audit evidence to support the balance sheet item "Loans to Members - Mortgage \$12,304,826";*
  - (f) *he failed to ascertain the value of underlying security for delinquent mortgage loans; and*
  - (g) *he failed to document matters which are important in providing evidence to support the content of his report.*
- 3. *THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, expressed an opinion without reservation on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 and did thereby fail to perform his professional services with due care, contrary to Rule 202 of the rules of professional conduct, in that:*
  - (a) *he failed to properly satisfy himself that an error in prior period financial statements was corrected and the comparative year was restated to reflect the correction.*
- 4. *THAT, the said George M. Kalba, on or about the 2nd day of March 1987, did express an opinion without reservation on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 when those statements were not prepared in accordance with the accounting standards of the profession, contrary to Rule 206.3 of the rules of professional conduct, in that:*
  - (a) *the appropriate allowance for doubtful accounts had not been deducted from loans receivable;*
  - (b) *accrued interest on delinquent mortgage loans had not been charged against revenue; and*
  - (c) *losses incurred in the year had not been accounted for as an expense incurred in the current year.*
- 5. *THAT, the said George M. Kalba, in or about the period December 1986 through March 1987, while engaged as the auditor to express an opinion on the financial statements of Saint Nicholas Parish (Toronto) Credit Union Limited for the year ended December 31, 1986 failed to perform his professional services with due care, contrary to Rule 202 of the rules of professional conduct, in that:*
  - (a) *he failed to review or approve the annual report prior to publishing in order to determine whether the financial statements and his report thereon were accurately reproduced in the annual report;*

- (b) *he failed to include in a management letter reference to an apparent contravention of applicable governmental statutes or regulations and the Saint Nicholas Credit Union bylaws limiting the total amounts that could be loaned by the Credit Union through mortgages and personal loans to any one individual; and*
- (c) *he failed to include in a management letter reference to those accounts of the credit union which were in overdraft positions and thereby contravened applicable governmental statutes including the Credit Unions and Caisse Populaire Act.*

Counsel for the professional conduct committee filed an agreed statement of facts and a document brief. Mr. Dale C. Tinkham, the professional conduct committee investigator, then testified as to his investigation. The evidence presented by the professional conduct committee was not challenged by the member.

The panel, in its deliberations, determined that the evidence presented supported the charges to which Mr. Kalba had pled guilty, and, accordingly, found him guilty of the charges.

The panel then heard submissions from counsel upon the issue of sanction. Counsel for the professional conduct committee filed a case book of past disciplinary cases. Both counsel agreed, however, that no cases are exactly the same, and that the case precedents filed should be considered solely as a guide as to what sanctions have been imposed in past cases. Mr. Kalba's counsel filed a statement of Mr. Kalba's net worth as of December 17, 1993.

After considering all the evidence and submissions presented upon the issue of sanction, the panel made the following order:

### **ORDER**

IT IS ORDERED in respect of the charges:

1. THAT Mr. Kalba be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Kalba be and he is hereby fined the sum of \$5,000, to be remitted to the Institute within eighteen (18) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Kalba be suspended from the rights and privileges of membership in the Institute for a period of three (3) months from the date this Decision and Order becomes final under the bylaws.
4. THAT Mr. Kalba be and he is hereby required to complete, by attending in their entirety, within two (2) years from the date this Decision and Order becomes final under the bylaws, the following professional development courses made available through the Institute:
  1. Auditing Refresher;
  2. Accounting and Auditing Update;
  3. Internal Control - The New Standard; and
  4. Materiality and Audit Risk,

or, in the event a course listed above becomes unavailable, the successor course which takes its place.

5. THAT in the event Mr. Kalba returns to public practice within two (2) years from the date this Decision and Order becomes final under the bylaws, he be reinvestigated by the professional

conduct committee, or by a person retained by the professional conduct committee, on one occasion, the costs of the reinvestigation, up to \$2,000, to be paid by Mr. Kalba.

6. THAT notice of this Decision and Order, disclosing Mr. Kalba's name, be given after this Decision and Order becomes final under the bylaws:
  - (a) by publication in *CheckMark*;
  - (b) to the Public Accountants Council for the Province of Ontario; and
  - (c) to the Canadian Institute of Chartered Accountants.
7. THAT Mr. Kalba surrender his certificate of membership in the Institute to the registrar of the Institute within ten (10) days from the date this Decision and Order becomes final under the bylaws, to be held by the registrar during the period of suspension and thereafter returned to Mr. Kalba.
8. THAT in the event Mr. Kalba fails to comply with any of the requirements of this Order within the time periods specified, he shall thereupon be suspended from the rights and privileges of membership in the Institute, and notice of his suspension, disclosing his name, shall be given in the manner specified in paragraph 6 hereof.
9. THAT in the event Mr. Kalba is suspended pursuant to paragraph 8 hereof, the suspension shall terminate upon his compliance with all the terms of the Order, provided that he complies within three (3) months from the date of his suspension.
10. THAT in the event Mr. Kalba fails to terminate a suspension imposed pursuant to paragraph 8 hereof within the three (3) month period specified in paragraph 9, 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 in paragraph 6 hereof.

The reasoning behind the panel's order on sanction is set out below. In reaching its conclusions, the panel considered the issues of general deterrence, specific deterrence and rehabilitation.

#### Reprimand

The panel believes that a reprimand in writing from the chair of the hearing is the most basic sanction that can be imposed. It serves to stress to Mr. Kalba the unacceptability of

his conduct as a chartered accountant, and it provides a reminder to him that he failed to comply with the standards of the profession and to execute his duties with the requisite due care.

#### Fine and suspension

During their submissions, both counsel agreed that a fine was appropriate in this case, though they did not agree on an amount.

In determining a suitable quantum, the panel considered whether or not it should order that Mr. Kalba be suspended from membership. Neither counsel had addressed this sanction in their original submissions. Consequently, the panel thought it appropriate to ask counsel to consider and make submissions on the subject before any decision was reached, which they did.

Although Mr. Kalba is no longer in public practice, counsel for the professional conduct committee submitted that a suspension, in addition to a fine, would be appropriate if the panel so decided. In contrast, counsel for Mr. Kalba stated that no suspension was warranted.

The panel concluded that a fine in a lesser amount than that proposed by counsel for the professional conduct committee, coupled with a suspension would be the most appropriate and effective way to send a message to other members of the profession, whether in public practice or not, and the general public, that inadequate standards of practice, such as those demonstrated in this case, are dealt with seriously by the profession. Failure to comply with the standards of the profession, and failure to undertake one's professional responsibilities with due care, are serious breaches of the trust which chartered accountants enjoy in the community.

The fine imposed takes into account Mr. Kalba's apparent current financial position, as best it could be determined by the personal financial information filed by the member. The amount of the fine imposed, and the length of the suspension ordered, may have been much greater had it not been for the mitigating factors that

- there was no suggestion of moral turpitude or dishonesty;
- the member is no longer in public practice; and
- as the charges referred to only one audit, there was no suggestion of a pattern of failing to comply with professional standards or to carry out responsibilities with due care.

#### Professional Development Courses

The panel believes that one of the purposes of the disciplinary process, in appropriate cases, is to encourage rehabilitation. During its deliberations the panel concluded that rehabilitation was important in this case and therefore ordered Mr. Kalba to attend professional development courses to update his skills as an auditor, even though he is currently not practising as one.

To reinforce the importance of adequate documentation of judgmental decisions during an audit, the panel has ordered Mr. Kalba to attend courses on auditing, internal control, and materiality and audit risk. The panel is of the opinion that the subject matter of the courses which Mr. Kalba has been ordered to take can be of benefit to him whether or not he is in public practice.

#### Reinvestigation

While Mr. Kalba advised that he had no interest in returning to public practice, the panel decided that it was appropriate in the public interest to order a practice reinvestigation in the event the member changes his mind and returns to public practice within the next two years. This panel also decided that the costs of the reinvestigation should not be borne by the general membership, and, accordingly, ordered that the costs be paid by Mr. Kalba, to a limit of \$2,000.

#### Notice

Publication of disciplinary decisions and orders, disclosing disciplined members' names, is one of the most effective general deterrents available. The Institute's notifying its members of its efforts in disciplining those in breach of its bylaws and rules of professional conduct is an important function in the governance of the profession, which, in the opinion of the panel, helps to promote compliance.

DATED AT TORONTO, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 1994  
BY ORDER OF THE DISCIPLINE COMMITTEE

F.A. DROZD, FCA - DEPUTY CHAIR  
THE DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL:

K.V. CHERNICK, FCA  
H.R. KLEIN, CA  
B.L. STEPHENS, CA  
L.L. WORTHINGTON, FCA  
V.G. STAFL (Public representative)