

## **John Hunter: Summary, as Published in *CheckMark***

**John Hunter**, of Newcastle, was found guilty by the discipline committee of five charges of professional misconduct, laid by the professional conduct committee, namely

- one charge, under Rule of Professional Conduct 201, of failing to conduct himself in a manner which maintains the good reputation of the profession and its ability to serve the public interest; and
- four charges, under Rule of Professional Conduct 205, of associating himself with, as to two charges, financial statements and, as to the other two charges, letters, which he knew or should have known were false or misleading.

The committee ordered that Mr. Hunter

- be assessed costs of \$4,000, to be paid within a specified time; and
- be expelled from membership in the Institute.

The discipline committee also determined that notice of its decision and order be published in *CheckMark*.

## CHARGE(S) LAID re John Hunter

The Professional Conduct Committee hereby makes the following charges against John Hunter, a member of the Institute:

1. THAT, the said John Hunter, in or about November 1983, 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 involved himself in a scheme to artificially inflate the cost of machinery to Division Steel Sales Limited in the approximate amount of 50,000 dollars in order to secure a benefit for himself and others to which he and they were not entitled, contrary to Rule 201 of the Rules of professional Conduct approved June 11, 1973.
2. THAT, the said John Hunter, in or about the month of June 1984, 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 caused to rely upon the Bank of Montreal, 985 Dundas St. E., Mississauga Branch, financial statements of Division Steel Sales Limited as at April 30, 1984 with Accountant's Comments signed by James A. Essex, Chartered Accountant, attached thereto, when he knew or should have known that the financial statements were false in a material respect or respects, contrary to Rule 201 of the Rules of Professional Conduct approved June 11, 1973.
3. THAT, the said John Hunter, in or about the months March 1984 through June 1984, associated himself with handwritten financial statements of Division Steel Sales Limited as at March 31, 1984, by providing same to the Bank of Montreal, 985 Dundas St. E., Mississauga Branch, which he knew or should have *known were* false or misleading, contrary to Rule 205 of the Rules of Professional Conduct adopted June 11, 1973 as amended.
4. THAT, the said John Hunter, in or about the months March 1984 through June 1984, associated himself with handwritten financial statements of Division Steel Sales Limited as at April 30, 1984, by providing same to the Bank of Montreal, 985 Dundas St. E., Mississauga Branch, which he knew or should have known were false or misleading, contrary to Rule 205 of the Rules of Professional Conduct adopted June 11, 1973 as amended.
5. THAT, the said John Hunter, in or about the period January 1984 through June 1984, associated himself with a letter to Mr. J.A. Essex, CA, confirming particulars of a loan, which he knew or should have known was false or misleading, contrary to Rule 205 of the Rules of Professional Conduct adopted June 11, 1973 as amended.
6. THAT, the said John Hunter, on or about the 30th day of May 1984, associated himself with a letter to Mr. James A. Essex dated May 30, 1984 which he knew or should have known contained representations that were false or misleading, contrary to Rule 205 of the Rules of Professional Conduct adopted June 11, 1973 as amended.

DATED at Toronto this 1<sup>st</sup> day of March, 1988.

## **DISCIPLINE COMMITTEE re John Hunter**

**FINDING AND ORDER IN THE MATTER OF:** Charges against JOHN HUNTER, CA, a member of the Institute, under Rule 201 of the Rules of Professional Conduct approved June 11, 1973, and under Rule 205 of the Rules of Professional Conduct adopted June 11, 1973 as amended.

### **FINDING AND ORDER MADE JULY 6, 1988**

#### FINDING

THAT, having seen and considered the evidence, including the Agreed Statement of Facts, and having heard and accepted the plea of guilty to charges Nos. 2 (as amended), 3, 4, 5 and 6 (the professional conduct committee withdrawing charge No.1), THE DISCIPLINE COMMITTEE FINDS John Hunter guilty of charges Nos. 2 (as amended), 3, 4, 5 and 6.

#### ORDER

IT IS ORDERED in respect of the charges:

1. THAT Mr. Hunter be and he is hereby charged costs of \$4,000, to be remitted to the Institute within six (6) months from the date this Finding and-Order becomes final under the bylaws.
2. THAT Mr. Hunter be and he is hereby ordered to surrender the certificate of membership in the Institute, bearing his name, to the registrar of the Institute within ten (10) days of this order becoming final under the bylaws.
3. THAT Mr. Hunter be and he is hereby expelled from membership in the Institute.
4. THAT notice of the Finding herein and this Order, disclosing Mr. Hunter's name, be given after this decision becomes final under the bylaws:
  - (a) by publication in Check Mark:
  - (b) to the Public Accountants Council for the Province of Ontario; and
  - (c) to the Canadian Institute of Chartered Accountants.

DATED AT TORONTO, THIS 26TH DAY OF JULY, 1988  
BY ORDER OF THE DISCIPLINE COMMITTEE

B.W. STEPHENSON - SECRETARY  
THE DISCIPLINE COMMITTEE

## **DISCIPLINE COMMITTEE re John Hunter**

**REASONS FOR THE DECISION AND ORDER IN THE MATTER OF:** Charges against JOHN HUNTER, CA, a member of the Institute, under Rule 201 of the Rules of Professional Conduct approved June 11, 1973, and under Rule 205 of the Rules of Professional Conduct adopted June 11, 1973 as amended.

### **WRITTEN REASONS FOR THE FINDING AND ORDER MADE JULY 6, 1988**

These proceedings before the discipline committee of the Institute of Chartered Accountants of Ontario were heard on June 27 and July 6, 1988.

Mr. Paul Farley attended on behalf of the professional conduct committee and Mr. John Hunter attended with his counsel, Mr. Elliot Berlin.

At the outset of the hearing, Mr. Farley made application for the amendment of charge No. 2 and advised that the professional conduct committee wished to withdraw charge No. 1, both of which, upon the consent of the member charged, were done.

Reading of the charges was waived by both parties, whereupon Mr. Hunter entered a plea of guilty to each of charges Nos. 2 (as amended), 3, 4, 5 and 6.

The chairman confirmed that the member and his counsel understood that upon a plea of guilty, and upon that basis alone, the member could be found guilty by the committee.

An Agreed Statement of Facts and an Exhibit Book were then introduced as evidence by counsel for the professional conduct committee and filed as exhibits.

Based upon the member's pleas of guilty and after examining the documentary evidence filed, the committee was satisfied that there was sufficient evidence to support the charges and, accordingly, found Mr. Hunter guilty of charges Nos. 2 (as amended), 3, 4, 5 and 6.

The hearing then adjourned for the day and was reconvened on July 6, 1988, at which time the committee heard counsels' submissions as to sanctions and then deliberated. Following deliberation, the committee made the following order:

### **ORDER**

IT IS ORDERED in respect of the charges:

1. THAT Mr. Hunter be and he is hereby charged costs of \$4,000, to be remitted to the Institute within six (6) months from the date this Finding and order becomes final under the bylaws.
2. THAT Mr. Hunter be and he is hereby ordered to surrender the certificate of membership in the Institute, bearing his name, to the registrar of the Institute within ten (10) days of this order becoming final under the bylaws.
3. THAT Mr. Hunter be and he is hereby expelled from membership in the Institute.

4. THAT notice of the Finding herein and this Order, disclosing Mr. Hunter's name, be given after this decision becomes final under the bylaws:
  - (a) by publication in Check Mark:
  - (b) to the Public Accountants Council for the Province of Ontario: and
  - (c) to the *Canadian Institute* of Chartered Accountants.

The committee is of the *opinion that* expulsion is appropriate for the following reasons:

1. The nature of the charges involved a deliberate misrepresentation by Mr. Hunter of *financial statements* and other documents.
2. Mr. Hunter involved himself in a scheme fully cognizant of what he was doing and of the impact that his misleading representations would have on the bank.
3. The bank was aware that Mr. Hunter was a chartered accountant.
4. The argument presented by Mr. Berlin, that Mr. Hunter was acting as a businessman and not as a professional, was not accepted. The responsibility of a professional extends to all actions he takes and a chartered *accountant cannot* hide behind a cloak when involved in other business activities.

The committee has ordered publicity and notice of its order, including disclosure of the member's name, as a general deterrent to all members. In addition, the committee considers publicity necessary to demonstrate to the public that the profession is policing itself, in order to retain public confidence.

R.C.H. ANDREWS, CA - DEPUTY CHAIRMAN  
THE DISCIPLINE COMMITTEE