

## **Richard Andrew Hoecht: Summary, as Published in *CheckMark***

**Richard Andrew Hoecht**, of Hamilton, was found guilty of a charge under Rule 205 of signing or associating himself with a letter which he knew or should have known was false or misleading. In response to a letter from the associate director of standards enforcement enquiring into a complaint made against him, Mr. Hoecht forwarded a copy of an engagement letter which he held out as having been previously issued when, in fact, he prepared and backdated the engagement letter after his receipt of the standards enforcement letter. Mr. Hoecht was fined \$5,000 and suspended from membership for three months.

Mr. Hoecht returned to MEMBERSHIP IN GOOD STANDING on January 15, 1998.

## **CHARGE(S) LAID re Richard Andrew Hoecht**

The Professional Conduct Committee hereby makes the following charges against, Richard A. Hoecht, CA, a member of the Institute:

1. *WITHDRAWN BY P.C.C.*
2. THAT, the said Richard A. Hoecht, in or about the period February 1995 through March, 1995, signed or associated himself with a letter which he held out as an engagement letter issued on or about March 30, 1991 by Nolan, Hoecht & Welsh Chartered Accountants to Adventure Golf Inc. which letter he knew or should have known was false or misleading since it had been prepared by him on or about February 21, 1995 and backdated to about March, 1991, contrary to Rule 205 of the rules of professional conduct.
3. *WITHDRAWN BY P.C.C.*
4. THAT, the said Richard A. Hoecht, while engaged to conduct review of the financial statements of Dayside Industries Inc. for the periods ended September 30, 1990, and December 31, 1990, 1991, 1992, 1993 and 1994, failed to hold himself free of any influence, interest or relationship which, in respect of the engagement, would impair his professional judgment or objectivity, contrary to Rule 204.2 of the rules of professional conduct, in that:
  - (a) for each of these periods named, the working paper files relied on by him in carrying out the review were prepared by the firm Green Dingfeld Nakamura, Chartered Accountants or the successor firm Dingfeld Nakamura when a partner of Green Dingfeld Nakamura or the successor firm, Warner Dingfeld, CA, was a shareholder of Dayside Industries Inc.

Dated on this 13th day of February, 1997  
JENNIFER L. FISHER, CA – CHAIR  
PROFESSIONAL CONDUCT COMMITTEE

## **DISCIPLINE COMMITTEE re Richard Andrew Hoecht**

**DECISION AND ORDER IN THE MATTER OF:** Charges against **RICHARD ANDREW HOECHT, CA**, a member of the Institute, under **Rules 201, 204.2, 205 and 206** of the Rules of Professional Conduct, as amended.

### **DECISION AND ORDER MADE SEPTEMBER 18, 1997**

#### **DECISION**

THAT, having seen, heard and considered the evidence, including the agreed statement of facts, filed, and having heard the plea of guilty to charge No. 2, charges Nos. 1 and 3 having been withdrawn and charge No. 4 having been amended on consent, the Discipline Committee finds Richard Andrew Hoecht not guilty of charge No. 4, as amended, and guilty of charge No. 2.

#### **ORDER**

IT IS ORDERED in respect of charge No. 2:

1. THAT Mr. Hoecht be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Hoecht be and he is hereby fined the sum of \$5,000, to be remitted to the Institute within three (3) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Hoecht 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 notice of this Decision and Order, disclosing Mr. Hoecht's name, be given after this Decision and Order becomes final under the bylaws:
  - (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*.
5. THAT Mr. Hoecht 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, to be held during the period of suspension and thereafter returned to Mr. Hoecht. In the event Mr. Hoecht fails to surrender his certificate of membership within this ten day period, his suspension pursuant to paragraph 3 shall be extended one day for each day the certificate remains undelivered to the secretary.

6. THAT in the event Mr. Hoecht fails to comply with the requirements of this Order within the time periods specified, his suspension pursuant to paragraph 3 shall continue until such time as he does comply, provided that he complies within a further period of three (3) months from the date of the continuation of his suspension, and in the event he does not comply within this further three 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 by publication in *The Globe and Mail* and the *Hamilton Spectator*.

DATED AT TORONTO THIS 1ST DAY OF OCTOBER, 1997  
BY ORDER OF THE DISCIPLINE COMMITTEE

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

## **DISCIPLINE COMMITTEE re Richard Andrew Hoecht**

**REASONS FOR THE DECISION AND ORDER IN THE MATTER OF:** Charges against **RICHARD ANDREW HOECHT, CA**, a member of the Institute, under **Rules 201, 204.2, 205 and 206** of the Rules of Professional Conduct, as amended.

### **REASONS FOR THE DECISION AND ORDER MADE SEPTEMBER 18, 1997**

These proceedings before this panel of the discipline committee of the Institute of Chartered Accountants of Ontario were convened on September 16, 17 and 18, 1997 to hear charges of professional misconduct laid by the professional conduct committee against Richard Andrew Hoecht.

The findings as to guilt or innocence, and the sanctions imposed in respect of the finding of guilt, were made known at the hearing. These are the written reasons for the decisions made.

At the hearing, the professional conduct committee was represented by Mr. Paul Farley. The member, Mr. Hoecht, was represented by Mr. Douglas McTavish.

The professional conduct committee had laid four charges of professional misconduct against Mr. Hoecht. Notice was later given of an application to make minor amendments to charges Nos. 3 and 4, and, on consent, the amendments were made.

Mr. Farley and Mr. McTavish told the panel that the parties had reached an agreement as to how to proceed with this matter which, if endorsed by the panel, would reduce the time needed to hear the issues and decide the case. The panel accepted the parties' proposal. Mr. Hoecht was then asked to plead to charges Nos. 2 and No. 4, following which charges Nos. 1 and 3 were withdrawn on consent.

Charge No. 2, to which Mr. Hoecht pleaded guilty, reads:

*THAT, the said Richard A. Hoecht, in or about the period February 1995 through March 1995, signed or associated himself with a letter which he held out as an engagement letter issued on or about March 30, 1991 by Nolan, Hoecht & Welsh Chartered Accountants to Adventure Golf Inc. which letter he knew or should have known was false or misleading since it had been prepared by him on or about February 21, 1995 and backdated to March, 1991, contrary to Rule 205 of the rules of professional conduct.*

Charge No. 4, as amended, to which Mr. Hoecht pleaded not guilty, reads:

*THAT, the said Richard A. Hoecht, while engaged to conduct a review of the financial statements of Dayside Industries Inc. for the periods ended September 30, 1990, and December 31, 1990, 1991, 1992, 1993 and 1994, failed to hold himself free of any influence, interest or relationship which, in respect of the engagement, would impair his professional judgment or objectivity or which, in the view of a reasonable observer, would impair his professional judgment or objectivity, contrary to Rule 204.2 of the rules of professional conduct, in that:*

*(a) for each of the periods named, the working paper files relied on by him in carrying out the review were prepared by the firm Green Dingfeld Nakamura, Chartered Accountants or the successor firm Dingfeld Nakamura, when a partner of Green Dingfeld Nakamura or the successor firm, Werner Dingfeld, CA, was a shareholder of Dayside Industries Inc.*

Mr. Farley and Mr. McTavish proposed that the panel first hear the evidence with respect to charge No. 2 and make a determination as to whether or not Mr. Hoecht was guilty, following which the prosecution would present its case with respect to charge No. 4. Mr. John Douglas, CA, the investigator appointed by the professional conduct committee, and Mr. Christopher Barltrop, FCA, an expert who would give opinion evidence, were to testify on behalf of the professional conduct committee. Mr. Irving Rosen, FCA, the defence expert who would give opinion evidence, and Mr. Hoecht, were to testify on the member's behalf. The panel was advised by Mr. Farley that the document brief to be filed with the agreed statement of facts contained, by agreement between the parties, all of the documents which were relevant to the issues in the case, and that no other documents would be filed. Mr. McTavish confirmed what Mr. Farley said.

## **DECISION ON THE CHARGES**

### **Charge No. 2**

Counsel for the professional conduct committee filed an agreed statement of facts, and a document brief containing correspondence between the parties and excerpts from Mr. Hoecht's files. Mr. Farley led the panel through the sequence of events and documents that led to the charge. Mr. Hoecht offered no rebuttal to the evidence presented by Mr. Farley. The panel concluded that Mr. Hoecht associated himself with the correspondence that was misleading, and therefore found him guilty of the charge.

### **Charge No. 4**

Mr. Douglas and Mr. Barltrop gave evidence on behalf of the professional conduct committee. Mr. Rosen and Mr. Hoecht gave evidence on behalf of the member, and extensive references were made to the document brief filed as Exhibit 4.

The evidence established that Mr. Hoecht entered into an arrangement with Mr. Werner Dingfeld, CA, whereby Mr. Dingfeld's firm would audit and report on the financial statements of Adventure Golf Inc. (AGI), a corporation in which Mr. Hoecht had an interest, and, in exchange, Mr. Hoecht's firm would review and issue a review engagement report on the financial statements of Dayside Industries Inc. (Dayside), a corporation in which Mr. Dingfeld had an interest. It was common ground that Mr. Dingfeld was not objective with respect to Dayside, and that Mr. Hoecht was not objective with respect to AGI.

Mr. Hoecht's firm did not render an account for the services performed for Dayside, and Mr. Dingfeld's firm, in turn, did not render an account to AGI for the audit work done.

Mr. Soules, a CMA, who was an employee of the Dingfeld firm, reviewed the records of Dayside and prepared a file which he delivered to Mr. Hoecht each year. Mr. Soules and others at Mr. Dingfeld's firm, including Mr. Dingfeld, spent between 20 and 30 hours each year reviewing Dayside's records and preparing the review engagement file. Mr. Hoecht testified that he performed detailed reviews of the files delivered to him, and spoke with either Mr. Soules or Mr. Dingfeld concerning any points that needed clarification, before he issued the review engagement reports each year.

While Mr. Hoecht did not docket the time he spent, it was his evidence that he spent two to three hours on the review file for each of the year ending September 30, 1990, the period ending December 31, 1990, and the year ending December 31, 1991. Beginning in December 1992, Mr. Tim Galvin, CA, who had joined the Hoecht firm, performed the detailed review of the file delivered by Mr. Soules, and cleared any outstanding points with Mr. Soules. The file then went to Mr. Hoecht for a final review. When Mr. Hoecht was satisfied, he would sign and issue the financial statements. Mr. Galvin spent 2.75 hours, 3.25 hours, and 4.50 hours for the years ending December 31, 1992, 1993 and 1994, respectively. Before issuing each report, Mr. Hoecht spent another hour reviewing the work Mr. Galvin had done.

Mr. Hoecht and Mr. Galvin spoke only with Mr. Dingfeld or Mr. Soules. They did not speak to the management of Dayside. Mr. Hoecht knew where Dayside had its premises, but attended there only once for the purpose of buying a window.

In the files that Mr. Soules delivered there were checklists, which are typically generated by the reporting accountant as a means of organizing the review, that is the enquiry, analysis and discussion which the reporting accountant must perform before expressing an opinion. Such checklists also serve as evidence of the work done by the reviewing accountant or his or her staff, as the reviewer usually initials the specific procedures set out line by line on the checklists after doing the work, and signs off at the end of each checklist.

With respect to these checklists, there is no doubt that Mr. Soules initialed virtually all of the specific procedures and signed in the appropriate places as the supervisor (see document brief pages 49, 50, 57, 58, 67, 72, 73, 74, 75, 79, 82 and 111). On a few occasions, Mr. Dingfeld signed or initialed a checklist as the partner (see document brief pages 58 and 77).

Mr. Hoecht signed or initialed the bottom of some of the checklists as the partner or practitioner (see document brief pages 64a, 67, 77, 78, 82 and 111). In some instances, Mr. Hoecht initialed a specific procedure to confirm that he had performed the work set out on that line (see document brief pages 60, 61, 77 and 78). Mr. Galvin initialed specific line items on some checklists, indicating that he had performed that work, and signed at the end of the checklist in the appropriate place for the reviewer. He also made some notes which were in the file (see document brief pages 71, 72, 73, 74, 75, 82 and 111).

There was no complaint about the substantive work of Mr. Soules or the Dingfeld firm. There was no suggestion that it was not accurate. Mr. Douglas confirmed on cross-examination that he had reported to the professional conduct committee that the files, which the panel understood to mean the files Mr. Soules delivered to Mr. Hoecht and which became Mr. Hoecht's files, appeared to be "complete and well-prepared".

The theory of the prosecution's case was that the objectivity standard of the profession had been breached by Mr. Hoecht because, in the issuance of his review engagement reports for the relevant periods, he relied on the work of Mr. Soules and Mr. Dingfeld who were not objective. The issue was whether or not, for each of the relevant periods, Mr. Hoecht, either personally or through his employee Mr. Galvin, performed sufficient enquiry, analysis and discussion to enable Mr. Hoecht to be objective in expressing his opinion on the various review engagement reports. Put another way, did Mr. Hoecht and Mr. Galvin perform sufficient enquiry, analysis and discussion to enable Mr. Hoecht to express the opinion he did without relying on the enquiry, analysis and discussion performed by the Dingfeld firm, and in particular Mr. Soules, who, all agreed, were not objective?

Mr. Barltrop testified that, on the basis of the documents contained in the document brief, which were agreed by the parties to be all of the relevant documents, it could not be said that Mr. Hoecht or his staff had performed sufficient work to sign the reports without reliance upon Mr. Soules' enquiry, analysis and discussion. As Mr. Soules and the Dingfeld firm were not objective, Mr. Hoecht could also not have been objective, and had therefore breached Rule 204.2. Mr. Douglas was of the same opinion. The problem with respect to Mr. Soules was not the quality of his work, but the fact that he could not be considered to be objective.

Mr. Rosen agreed that Mr. Hoecht could not rely solely on the analysis, enquiry and discussion done by Mr. Soules or Mr. Dingfeld to express his opinion, as they were not objective. Mr. Hoecht could not give his proxy to Mr. Soules. Mr. Rosen said, however, that, from his review of the files, he had concluded that there was sufficient evidence of work done by Mr. Hoecht, and later Mr. Hoecht and Mr. Galvin, to express the opinions.

It became apparent during the hearing that the document brief did not contain all of the material from the files reviewed by Mr. Rosen and relied upon by him in giving his opinion. Mr. Rosen testified that on the basis of what he saw in the files he would have allowed his firm to issue the review engagement reports, but that, on the basis of the material in the document brief there was insufficient evidence to render an opinion. Counsel for the professional conduct committee objected to Mr. Rosen's reliance upon or reference to the files, pointing out that by agreement of the parties, as explained at the outset of the hearing, the document brief contained all the relevant documents. Counsel for the member, who was examining Mr. Rosen when the reference was made to the material in the files, did not disagree. Mr. Rosen was therefore not asked for specific references to particular documents, as they were not in evidence and by agreement not admissible. Mr. Rosen stated that he also relied for his opinion on the evidence of Mr. Douglas that the files were complete and well-prepared.

This panel did not find it entirely satisfactory to have to resolve this case on the basis of the evidence set out in a document brief agreed by the parties to contain all the relevant documents, when one expert's opinion was based at least in part on other evidence.

Three members of the panel concluded that Mr. Hoecht was not guilty of charge No. 4, and three members of the panel concluded that he was guilty. The panel was instructed by its counsel that when the members of a panel are equally divided as to guilt or innocence, the decision or verdict must be not guilty. We were also advised by our counsel that the reasons for the opposing positions should both be set out in herein.



## **Reasons for the finding of not guilty**

*(Messrs. Goggins, Stephens and Tannenbaum were not persuaded that Mr. Hoecht had contravened Rule 204.2. Their reasons are set out in the following paragraphs.)*

We do not think Mr. Hoecht was precluded from relying on the work of Mr. Doug Soules and the Dingfeld firm, who were admittedly not objective, and are of the view that Mr. Hoecht carried out sufficient additional review procedures to overcome any potential lack of objectivity.

In our view, no professional standards exist that would preclude Mr. Hoecht from relying upon the work of others in carrying out his review procedures. On the contrary, paragraphs 5050.27 through .30, inclusive, of the *CICA Handbook*, suggest that such reliance is permissible in certain circumstances and provide guidance in this regard. Although these particular paragraphs are contained in the *Handbook* section A using the work of internal audit, it is indicated in the preamble to the section that such guidance may also be useful for other types of engagements. As a review engagement is an assurance engagement, governed by standards described in Section 5025 of the *Handbook*, we believe reference to Section 5050 is appropriate. The testimony of expert witness Irving Rosen provided additional support for our view as to the usefulness of such guidance.

Having accepted the relevancy of Section 5050, and specifically paragraphs 5050.27 to .30 thereof, we are of the opinion that Mr. Hoecht was entitled to rely on the work of Mr. Soules and the Dingfeld firm, subject to his satisfaction with the knowledge, competency and independence of Mr. Soules, and his conduct of an independent review. Both parties readily acknowledged Mr. Soules' competency as an accountant and his knowledge of the client Dayside. At the same time, however, both parties acknowledged that neither Mr. Soules nor his firm were objective and independent. It was therefore incumbent upon Mr. Hoecht to overcome this lack of objectivity and independence by carrying out his own review procedures.

The document brief submitted by counsel for the professional conduct committee contains evidence of Mr. Hoecht's involvement in the review of the working papers prepared by Mr. Soules and the Dingfeld firm, although such evidence is limited. In this respect, we do not disagree with the view expressed by both counsel for the professional conduct committee and Mr. Rosen that the quality of the documentation of Mr. Hoecht's involvement was somewhat lacking. The difficult task facing the discipline committee was to determine whether or not this limited documentation provided enough evidence of the performance of additional procedures to enable Mr. Hoecht to mitigate the engagement risk arising from the agreed lack of objectivity of Mr. Soules and his firm. Mr. Hoecht's *viva voce* evidence was that he reviewed all the working papers personally, examined third party documentation contained in the files, and, in fact, redid some of the accounting procedures originally performed by Mr. Soules. He also testified that, having regard to materiality, his review focused on the significant accounts, being accounts receivable, accounts payable and inventories.

Given his long-standing (over 20 years) knowledge of the client's business, and the low level of engagement risk involved due to the relative simplicity of the client's operations, we believe that the combination of the documented evidence of Mr. Hoecht's review work, and his testimony about performing additional procedures during his file reviews, is sufficient to show that he did enough independent review work to overcome the lack of objectivity of Mr. Soules and the Dingfeld firm, and to conclude that the financial statements were plausible, thus allowing him to sign the review engagement reports.

It is not possible to clearly define what constitutes an objective state of mind. As outlined in Council Interpretation 204(3), whether or not objectivity exists or is seen to exist in a given case must be interpreted using professional judgment. We do not believe a reasonable observer would conclude that the lack of objectivity by Mr. Soules and his firm had such an influence on Mr. Hoecht as to impair his independence and objectivity. It is our considered opinion, having exercised what we believe to be prudent professional judgment based on the evidence submitted to the panel, that, for the reasons set out above, Mr. Hoecht is not guilty of the charge.

### **The dissenting conclusion**

*(Messrs. Bookman, Bowden and Tse concluded that Mr. Hoecht had not performed sufficient work himself to establish that he had overcome the lack of objectivity of Mr. Soules and the Dingfeld firm, who were not independent of Dayside. Their reasons are set out below.)*

The professional conduct committee and the member agreed at the outset of the hearing that the document brief contained all of the relevant documents which the discipline committee needed to determine this case. It appeared during the hearing, however, that, in fact, there existed additional documents relevant to the case that were not contained in the document brief, and the confusion in this regard was a major obstacle for the panel in deciding the case. On the basis that all of the relevant evidence was contained in the document brief, as agreed, we reviewed this evidence to determine whether or not there had been sufficient work performed by Mr. Hoecht to overcome the fact that Mr. Soules, an employee of Mr. Dingfeld, was not independent of Dayside, and we concluded that Mr. Hoecht had not performed a sufficiently detailed review to overcome the independence issue, for the following reasons:

- There was insufficient documentary evidence in the document brief to support Mr. Hoecht's claim that he performed detailed reviews of the files prepared by Mr. Soules.
- Mr. Hoecht discussed the reviews with Mr. Soules or Mr. Dingfeld, but did not have any discussions with Dayside management.
- The signature of Mr. Hoecht at the bottom of a checklist was not in and of itself evidence that detailed review procedures had been carried out.
- The fact that Mr. Hoecht initialed some of the specific procedures confirmed, by the absence of his initials otherwise, that he did not perform all the work necessary to overcome the independence problem.

- Both experts, Mr. Barltrop and Mr. Rosen, testified that, on the basis of the documents contained in the document brief, it could not be said that Mr. Hoecht had performed sufficient work to sign the reports.

All the members of the panel agreed with Mr. Barltrop and Mr. Rosen that the practice of Mr. Soules preparing the file which Mr. Hoecht then reviewed was not the preferred practice. In particular, we agree with their view that checklists should be generated by the reviewing accountants, and that the work required should be performed by the reviewing accountants and initialed or signed by them as evidence that they have done that work. Mr. Hoecht himself testified that he would not, in the future, have Mr. Soules' checklists in his files. We accept that there are many documents which the client or referring accountant prepare that can properly be in a review file. The issue is whether or not the reviewing accountant does the required work. In our view, there should have been better evidence of the work that Mr. Hoecht did.

### **ORDER AS TO SANCTIONS**

After making its findings on the charges, and having found Mr. Hoecht guilty of charge No. 2, the panel turned to the issue of sanction. A character witness on behalf of Mr. Hoecht, Mr. Remis Sakalas, was called and gave evidence as to Mr. Hoecht's good moral character and the favourable business relationship the two of them had. Following this evidence, the panel heard submissions from the parties, and, upon deliberation, made the following order:

### **ORDER**

IT IS ORDERED in respect of charge No. 2:

1. THAT Mr. Hoecht be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Hoecht be and he is hereby fined the sum of \$5,000, to be remitted to the Institute within three (3) months from the date this Decision and Order becomes final under the bylaws.
3. THAT Mr. Hoecht 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 notice of this Decision and Order, disclosing Mr. Hoecht's name, be given after this Decision and Order becomes final under the bylaws:
  - (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*.

5. THAT Mr. Hoecht 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, to be held during the period of suspension and thereafter returned to Mr. Hoecht. In the event Mr. Hoecht fails to surrender his certificate of membership within this ten day period, his suspension pursuant to paragraph 3 shall be extended one day for each day the certificate remains undelivered to the secretary.
6. THAT in the event Mr. Hoecht fails to comply with the requirements of this Order within the time periods specified, his suspension pursuant to paragraph 3 shall continue until such time as he does comply, provided that he complies within a further period of three (3) months from the date of the continuation of his suspension, and in the event he does not comply within this further three 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 by publication in *The Globe and Mail* and the *Hamilton Spectator*.

In reaching its conclusions as to sanction, the panel considered the principles of general deterrence, specific deterrence and rehabilitation.

### **Reprimand**

The panel concluded that a letter of reprimand to Mr. Hoecht was necessary to stress the unacceptability of his actions, and would serve to underline the fact that a chartered accountant has a duty to uphold the good reputation of the profession. He associated himself with a document which he knew was false, and such conduct will not be tolerated by the Institute.

### **Fine**

The panel concluded that a fine of \$5,000 was appropriate in this case, as both a specific deterrent to Mr. Hoecht and as a general deterrent to like-minded members, to signal that the type of conduct engaged in by Mr. Hoecht is not acceptable.

### **Suspension**

The panel concluded that a suspension was in order to demonstrate the importance of forthright communications with the professional conduct committee. The panel concluded, in the circumstances of this case, that a three month suspension would serve as a general deterrent to the membership, to reinforce the message that this type of conduct is not condoned.

### **Surrender of Certificate**

As is usual in cases involving suspension, the panel ordered Mr. Hoecht to surrender his certificate of membership in the Institute, to be held during his period of suspension and thereafter returned.

## Notice

The committee ordered the giving of notice of this matter to the PAC and the CICA, and by way of publication in *Checkmark*. In the event Mr. Hoecht does not comply with the terms of the order, he will be expelled from membership, and his expulsion will be published in *The Globe and Mail* and the *Hamilton Spectator* newspapers.

DATED AT TORONTO, THIS DAY OF JANUARY, 1998  
BY ORDER OF THE DISCIPLINE COMMITTEE

L.P. BOOKMAN, CA - DEPUTY CHAIR  
THE DISCIPLINE COMMITTEE

MEMBERS OF THE PANEL  
P.A. GOGGINS, CA  
B.L. STEPHENS, CA  
B.A. TANNENBAUM, CA  
K. TSE, CA  
B.W. BOWDEN (Public representative)