

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

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** A charge against **TED ALEXANDER LIS, CA**, a member of the Institute, under **Rule 203.2(b)** of the Rules of Professional Conduct, as amended.

**TO:** Ted Alexander Lis, CA

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

**REASONS**  
**(Decision and Order made January 7, 2010)**

1. This panel of the Discipline Committee of the Institute of Chartered Accountants of Ontario met on January 7, 2010, to hear a charge of professional misconduct brought by the Professional Conduct Committee against Ted Alexander Lis, a member of the Institute.
2. Alexandra Hersak appeared on behalf of the Professional Conduct Committee.
3. Mr. Lis attended and was not represented by counsel. He acknowledged that he understood that he had the right to be represented by counsel, and that he waived that right.
4. The decision and the terms of the order were made known at the hearing on January 7, 2010. The written Decision and Order was sent to the parties on January 18, 2010. These reasons, given pursuant to Bylaw 574, include the charge, the decision, the order, and the reasons of the panel for its decision and order.

**CHARGES**

5. The following charge was laid against Mr. Lis by the Professional Conduct Committee on October 26, 2009:

THAT the said Ted A. Lis, in or about the period May 8, 2009 to September 22, 2009, failed to co-operate with officers, servants or agents of the Institute who have been appointed to arrange or conduct an investigation on behalf of the Professional Conduct Committee, contrary to Rule 203.2 (b) of the Rules of Professional Conduct.

## PLEA

6. Mr. Lis entered a plea of guilty to the charge.

## EVIDENCE

7. The evidence of the Professional Conduct Committee was entered by way of an affidavit from Tatiana Rabinovitch, Associate Director of Standards Enforcement. That affidavit sets out the contacts between Standards Enforcement, acting on behalf of the Professional Conduct Committee, and Mr. Lis. Mr. Lis called no evidence and made no submissions with respect to the Professional Conduct Committee evidence.

## FACTS

8. Based on the evidence, this panel finds that the Professional Conduct Committee, in investigating Mr. Lis' practice, contacted Mr. Lis and required him to respond, in writing, to allegations against him. Despite making promises to do so, Mr. Lis did not respond. As of the date of this hearing, he has still not responded.

## FINDING

9. *The Rules of Professional Conduct*, and, in particular, Rule 203.2(b), require Mr. Lis to cooperate with an investigation into his conduct. He did not do so. This is not a matter where there was a momentary failure to comply, quickly corrected. The breach of the rules was serious and ongoing, and constitutes professional misconduct.

## DECISION

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

THAT having heard the plea of guilty to the charge, and having seen and considered the evidence, the Discipline Committee finds Ted A. Lis guilty of the charge.

## SANCTION

11. The Professional Conduct Committee sought a sanction of: a reprimand in writing; a fine in the amount of \$3,000; an order that Mr. Lis cooperate with the Professional Conduct Committee within ten days; and publicity in the usual course. It also sought costs in the amount of \$2,500, being 50% of the anticipated costs of the investigation and hearing.

12. Ms. Hersak, on behalf of the Professional Conduct Committee, acknowledged Mr. Lis had suffered difficult personal circumstances coinciding with the investigation, and that those circumstances likely contributed to his failure to respond as required. However, she also pointed out that he has still not responded and that, had he done so, the charge and discipline proceedings could easily have been avoided.

13. Ms. Hersak noted the importance of cooperation with a governing body to the concept and effectiveness of self-regulation, and that Mr. Lis had breached what was, in essence, a contract between himself and the Institute.

14. Mr. Lis made no submissions as to sanction.

**ORDER**

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

IT IS ORDERED in respect of the charge:

1. THAT Mr. Lis be reprimanded in writing by the chair of the hearing.
2. THAT Mr. Lis be and he is hereby fined the sum of \$3,000 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. Lis provide to the Professional Conduct Committee a substantive written response to Tatiana Rabinovitch's letter of April 23, 2009 within ten (10) days of the date this Decision and Order becomes final under the bylaws.
4. THAT notice of this Decision and Order, disclosing Mr. Lis' name, be given after this Decision and Order becomes final under the bylaws:
  - (a) to all members of the Institute;
  - (b) to all provincial institutes/Ordre,and shall be made available to the public.

IT IS FURTHER ORDERED:

5. THAT Mr. Lis be and he is hereby charged costs fixed at \$1,800 to be remitted to the Institute within three (3) months from the date this Decision and Order becomes final under the bylaws.

AND IT IS FURTHER ORDERED:

6. THAT in the event Mr. Lis fails to comply with 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 the 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. Lis' practice, employment and/or residence. All costs associated with the publication shall be borne by the member and shall be in addition to any other costs ordered by the committee.

**REASONS**

16. Mr. Lis, by failing to cooperate with the Professional Conduct Committee, has precluded his governing body from appropriately investigating his conduct, and addressing that conduct substantively. He has, as counsel for the Professional Conduct Committee phrased it, breached the implied contract between him and the Institute, the contract that states that, in return for the privilege of membership, he will submit himself to the authority of the Institute. The Institute cannot regulate the membership and ensure the protection of the public without each and every member cooperating as needed with the Institute.

17. That Ms. Lis has still not provided the requested information is of significant concern. While the panel is not unsympathetic to his personal circumstances, Mr. Lis was acting as a chartered accountant during the same period. He cannot pick and choose which of his obligations he will honour. Further, the panel is concerned that Mr. Lis appears to believe his self-removal from public accounting ends his requirement to answer for his conduct while he was in such practice. That is not true. Mr. Lis must cooperate, and do so forthwith, with the demands of the Professional Conduct Committee. Should he not do so, he will be subject to whatever further measures may be necessary to ensure the protection of the public and the integrity of the profession and self-governance.

18. The quantum of costs ordered is less than that requested by the Professional Conduct Committee. This is not due to a belief that less than 50% of the costs incurred should be reimbursed, but an appreciation that the hearing took less time than anticipated and that, therefore, the costs incurred would be likewise less.

DATED AT TORONTO THIS 25<sup>th</sup> DAY OF JANUARY, 2010  
BY ORDER OF THE DISCIPLINE COMMITTEE

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

MEMBERS OF THE PANEL:

R.H. CARRINGTON (PUBLIC REPRESENTATIVE)  
A.B. MINTZ, CA  
H.G. TARADAY, CA