

**THE CERTIFIED GENERAL ACCOUNTANTS
ASSOCIATION OF ONTARIO**

IN THE MATTER OF Frank S. Andreacchi, a member of the Certified General Accountants Association of Ontario, arising from a hearing conducted before a Professional Conduct Tribunal on February 29, 1996.

Members of the Tribunal: Richard Lim, CGA
 Louise McNeely, CGA
 Fred Pritchard, CGA

Counsel: Larry Banack, for the Discipline Committee

Defendant: Frank S. Andreacchi, CGA

Complainant: John C. Sedge

Court Reporter: Network Court Reporting Ltd.

Witness: Milford Masters, CGA, Director

Pursuant to a notice of hearing dated December 21, 1995, Frank S. Andreacchi was charged with the following violations of the Code of Ethics and Rules of Professional Conduct:

Rule 208 - False or Misleading Communication: a member shall not issue, sign or associate with any communication which he/she knows, or ought to know, is false or misleading.

Rule 209 - Known Omission: a member shall disclose in a communication any material fact or information known to him/her which is not disclosed in the financial statements, the omission of which could render the financial statements misleading.

Mr. Andreacchi was represented by his counsel, Mr. Clifford Cole.

The particulars alleged against Frank S. Andreacchi are:

- (1) "You issued or associated yourself with financial statements and other documents and communications relating to the sale of Maple Leaf Travel, in or about November 22, 1993, which you knew or ought to have known were incorrect or misleading in that the sales and commissions were overstated and expenses were incorrectly stated."

- (2) "You did not accurately disclose sales, commissions, and expenses in the computer accounting system and financial statements and documents produced by or on your behalf, the omission of which rendered the financial statements and other documents and other business information relating to Maple Leaf Travel to be misleading."

The following documents were presented to the members of the Tribunal:

- (1) Brief of Documents prepared by the Discipline Committee of the Certified General Accountants Association of Ontario; marked "Exhibit No. 1",

Larry Banack, counsel for the Discipline Committee advised the Tribunal that the Discipline Committee and Mr. Andreacchi have reached an agreement as to a plea of guilty in regards to sections 208 and 209 of the Code of Ethics and Rules of Professional Conduct. They also submitted to the Tribunal Committee a joint proposal for Disciplinary Action.

Mr. Cole, counsel for Mr. Andreacchi also addressed the Tribunal and commented on Mr. Andreacchi's personal and financial situation. He also advised, although not relevant to these proceedings, that civil action relating to this matter has been settled

Tribunal Decision:

The Tribunal unanimously found Frank S. Andreacchi guilty of breach of Rules 208 and 209 of the Code of Ethics and Rules of Professional Conduct as outline above, by virtue of the admission of guilt agreed to in the joint submission by the Discipline Committee and Council for Frank S. Andreacchi.

The Tribunal accepted the suggested disciplinary action submitted by the joint submission as satisfactory except for the publication ~~announcement~~ in the local media.

Disciplinary Action pursuant to breach of Rule 208:

- (1) A fine of \$750
- (2) A letter of reprimand to be sent by the Certified General Accountants Association of Ontario to Frank S. Andreacchi, and to be retained on file at the Certified General Accountants Association of Ontario office
- (3) Mr. Andreacchi's membership in the Certified General Accountants Association of Ontario is suspended immediately for a period of one year
- (4) Mr. Andreacchi is to return all his certificates of CGA certification to the Certified General Accountants Association of Ontario office by 4:00 pm on March 4th 1996, to be retained at the Certified General Accountants Association of Ontario office throughout the period of suspension

- (5) Notice of suspension will be published in the Certified General Accountants Association of Ontario newsletter "Statements"

Disciplinary Action pursuant to breach of Rule 209:

- (1) A fine of \$750
- (2) A letter of reprimand to be sent by the Certified General Accountants Association of Ontario to Frank S. Andreacchi, and to be retained on file at the Certified General Accountants Association of Ontario office
- (3) Mr. Andreacchi's membership in the Certified General Accountants Association of Ontario is suspended immediately for a period of one year
- (4) Mr. Andreacchi is to return all his certificates of CGA certification to the Certified General Accountants Association of Ontario office by 4:00 pm on March 4th 1996, to be retained at the Certified General Accountants Association of Ontario office throughout the period of suspension
- (5) Notice of suspension will be published in the Certified General Accountants Association of Ontario newsletter "Statements"

This decision is to be filed in accordance with Section 19 of the Statutory Powers Procedures with the Ontario Court of Justice (General Division) by the Certified General Accountants Association of Ontario.

Notice of right to appeal:

The decision of a Professional Conduct Tribunal may be appealed to an Appeal Tribunal provided it is done in writing within sixty (60) days of the date of the Professional Conducts Tribunal's Written decision. Appeals must be in writing and addressed the Executive Director Certified General Accountants Association of Ontario, 240 Eglinton Avenue East, Toronto, Ontario M4P 1K8. The notice shall contain grounds for the appeal which are confined to: infact, error in interpretation of the Code, Error in procedure, or error in sentence.


Richard Lim, CGA
Chair, Professional Conduct Tribunal

Dated April 22, 1996

CC: Louise McNeely, CGA
Member, Professional Conduct Tribunal

Fred Pritchard, CGA
Member, Professional Conduct Tribunal