

**IN THE MATTER OF a Proceeding under  
the *Certified General Accountants Act, 2010*  
and the Association's Bylaws**

**IN THE MATTER OF a Complaint against Farid Kamal**

**B E T W E E N:**

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Farid Kamal

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**DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL**

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Members of the Professional Conduct Tribunal Panel:

Peter J Vaillancourt, CGA, Chair  
Jane Rivers, CGA  
Victoria Corbett, Public Representative

Pursuant to section 25, Article 9 of the Bylaws, the Professional Conduct Tribunal Panel has reviewed the Statement of Facts and Resolution proposed by the parties in this matter, signed by the Chair of the Discipline Committee Pierre Bockt on June 6, 2012 and signed by Farid Kamal on June 5, 2012. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 22<sup>nd</sup> day of June, 2012

I, Peter J Vaillancourt, sign this Decision as Chair of the Panel of the Professional Conduct Tribunal on behalf of the members of the Panel that heard this matter.



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Peter J Vaillancourt

**THE CERTIFIED GENERAL ACCOUNTANTS  
ASSOCIATION OF ONTARIO**

**IN THE MATTER OF A PROCEEDING UNDER SUBSECTION 36(1)  
OF THE CERTIFIED GENERAL ACCOUNTANTS ACT, 2010  
AND THE ASSOCIATION'S BYLAWS**

**IN THE MATTER OF Farid Kamal, a member of the  
Certified General Accountants Association of Ontario**

**STATEMENT OF FACTS AND RESOLUTION**

**A. AGREED UPON STATEMENT OF FACTS**

1. I became a member of CGA Ontario in 2009.
2. My CGA Ontario certificate number is 22137 and my CGA Canada certificate number is 365965.
3. In response to an advertisement I placed on preparing income tax returns, Nazira Makhani ("Mrs. Makhani") telephoned me on or about 27 April 2011 concerning the preparation of income tax returns for her for 2010, for her husband Firoz ("Mr. Makhani") for 2009 and 2010 and two disability adjustments for Mrs. Makhani.
4. I advised Mrs. Makhani that the cost for the work would be \$190 + applicable taxes calculated as follows:
  - (a) \$30 (Mrs. Makhani 2010 return),
  - (b) \$30 (first disability adjustment for Mrs. Makhani),
  - (c) \$30 (second disability adjustment for Mrs. Makhani),
  - (d) \$50 (Mr. Makhani 2009 return) and
  - (e) \$50 (Mr. Makhani 2010 return).
5. Mrs. Makhani brought me the documentation and I confirmed that the price would be \$190 + applicable taxes.
6. Subsequently, when Mrs. Makhani attended at my office, a dispute developed over the fees to be charged for the work. I advised her that my fee for the work would be \$700 + taxes.
7. At no time before calculating Mrs. Makhani's income tax return did I advise her that I was increasing my fees.

8. While I did provide in my engagement letter that my fees would be based on the complexity of the work, i.e. hours to complete, I either did not provide Mrs. Makhani with that engagement letter until after I had completed the work or I did not draw that specific provision to her attention.
9. I did not advise Mrs. Makhani that my fee could be adjusted depending on the size of her income tax return.
10. I advised Mrs. Makhani that I would not file the income tax returns for her and her husband unless she paid the increased fee.
11. I knew the Makhani's received only a modest income.
12. Mrs. Makhani was unable to pay the amount now demanded.
13. In order to have her returns filed, she provided me with the following:
  - (a) A current cheque in the amount of \$226;
  - (b) An undated cheque in the amount of \$226; and
  - (c) An undated cheque in the amount of \$339.
14. While I initially refused or neglected to return to the Makhani's their original documents and all copies until all the cheques cleared, upon receipt of advice from CGA Ontario, I have now returned all of the documents belonging to the Makhani's.
15. When Mrs. Makhani questioned me about this increase, I advised her that my professional dues were coming due and I required money to pay them.
16. I repeatedly called and emailed the Makhani household and:
  - (a) accused Mrs. Makhani of being "cheap" as she was getting a good return;
  - (b) advising her that my designations were "so expensive" and I had to collect money to pay for them;
  - (c) indicating that she would face "bitter consequences" if she did not pay the increased rate; and
  - (d) threatening to send the matter to a third party collection agent.
17. Specifically I advised Mrs. Makhani by email dated 27 May 2011 that "I need a huge amount of money for renewal of my CGA, CMA, CPA license immediately."
18. Had I advised Mrs. Makhani that I was going to charge her \$700 for the work, she would have taken her files to another accountant.

19. I cashed Mrs. Makhani's cheque for \$226 and, accordingly, have been paid more than the quota I gave her.
20. Despite Mrs. Makhani's repeated requests, I originally refused or neglected to return to her the original documents she gave me. However, upon receipt of advice from CGA Ontario, I subsequently returned all of the documents belonging to the Makhanis.
21. Further I have retained a collection agent to telephone Mrs. Makhani for payment of my outstanding accounts and to "serve" her with a Notice of Recommendation to file Suit".
22. Rule 101 of The Association's Code of Ethical Principles and Rules of Conduct (the "Code") - Discredit - states:

*A member shall not permit the member's firm name or the member's name to be used with, participate in, or knowingly provide services to, any practice, pronouncement or act that would be of a nature to discredit the profession.*

23. In (a) accepting my clients' documents after quoting her a fee of \$190; (b) advising Mrs. Makhani after she had delivered the documentation and once I had calculated her returns that the fee would now be \$700; (c) attempting to justify my fee by the amount of her income tax return; (d) attempting to justify my fee by advising her that I had "huge amounts" due for the "renewal" of my professional designations "licenses"; (e) refusing to return my clients' documents until they paid the amount in dispute; (f) threatening my clients with "bitter consequences" if they did not pay and (g) threatening and carrying through with retaining a collection agent to pursue my clients for amounts I knew or ought to have known were in dispute, I participated in a practice or act that was of a nature to discredit the profession.
24. Rule 606(a) of the Association's Code - Detrimental Action - states:
- A member shall not participate in any action that is detrimental to the Association or the profession.*
25. By (a) accepting my clients' documents after quoting her a fee of \$190; (b) advising Mrs. Makhani after she had delivered the documentation and once I had calculated her returns that the fee would now be \$700; (c) attempting to justify my fee by the amount of her income tax return; (d) attempting to justify my fee by advising her that I had "huge amounts" due for the "renewal" of my professional designations "licenses"; (e) refusing to return my clients' documents until they paid the amount in dispute; (f) threatening my clients with "bitter consequences" if they did not pay and (g) threatening and carrying through with retaining a collection agent to pursue my clients for amounts I knew or ought to have known

were in dispute, I participated in a practice or act that was detrimental to the profession.

26. My conduct amounted to professional misconduct and conduct unbecoming a certified general accountant.

**B. AGREED UPON RESOLUTION**

1. I recognize that it was contrary to the Code for me to provide my clients with a quote of \$190 without advising it that it was not binding on me and that I could change it at my discretion.
2. I recognize that it was contrary to the Code for me to either (a) advise Mrs. Makhani after she had delivered the documentation and once I had calculated her returns that the fee would be increased to \$700 or (b) neglect to point out the provision in the engagement letter that could result in a variation from the quote I had provided.
3. I recognize that it was contrary to the Code for me to attempt to justify my fee by the amount of her income tax return when I had not advised her of that when I gave her the quote and when she retained me.
4. I recognize that it was contrary to the Code for me to attempt to justify my fee by advising my client that I had "huge amounts" due for the "renewal" of my professional designations "licenses".
5. While acknowledging that I have since returned my clients' documents, I recognize that it was contrary to the Code for me to refuse to return my clients' documents until they paid the amount in dispute.
6. I recognize that it was contrary to the Code for me to threaten my clients with "bitter consequences" if they did not pay.
7. I recognize that it was contrary to the Code for me to threaten and carry through with retaining a collection agent to pursue my clients for amounts I knew or ought to have known were in dispute.
8. I agree that my conduct amounted to a violation of Rules 101 and 606(a) of the Code.
9. I accept a reprimand from the Association as a result of my breaches of the Code.
10. Recognizing that I have violated two provisions of the Code, I accept a fine of \$2,000.

11. I understand that the committee is not seeking any costs payable from me. However, I understand that if I do not accept this resolution, the matter will proceed to a disciplinary hearing before the Professional Conduct Tribunal and the committee will be seeking costs of that hearing from me.
12. I understand that, as required by the bylaws, the terms of the resolution will be published in Statements.
13. I understand that, after a ten day waiting period from the date of acceptance of this proposed resolution, the Committee will present this proposed agreed resolution of this complaint to the Professional Conduct Tribunal. The Tribunal may accept or reject the resolution. If it accepts the resolution of the complaint, this ratification shall be the final disposition of the complaint. Where the Tribunal refuses to accept the proposed resolution, it may grant this committee an opportunity to return before it within 10 days or such other reasonable time as shall be stipulated by the Tribunal, with an amended proposed agreed resolution. Where the Tribunal refuses to ratify a proposed resolution and does not grant the committee an opportunity to return before it with an amended proposed agreed resolution, a Professional Conduct Tribunal panel of three members shall be appointed to conduct a formal hearing pursuant to sections 25 and 28 of Article 9 of the bylaws.
14. I further understand that if the committee and I are unable to resolve this complaint through an agreed upon resolution process, the matter will be referred to the Professional Conduct Tribunal for a hearing.

I hereby agree to this above statement of facts and resolution.