

**IN THE MATTER OF
A PROFESSIONAL CONDUCT TRIBUNAL
OF THE CERTIFIED GENERAL ACCOUNTANTS OF ONTARIO**

BETWEEN:

CGAO Discipline Committee

- and -

Naz Panjwani

Tribunal Panel Members:

Donn Martinson, CGA, Chair
Ramesh Ramotar, CGA
Helena Hughes. M.A., C.Psych.

Hearing Held:

July 7, 2005

Appearances:

Karen Jolley, for the Discipline Committee
Joanna Birenbaum, for Naz Panjwani

DECISION

By Notice of Hearing dated October 4, 2004 the Certified General Accountants of Ontario ("CGAO") advised Naz Panjwani that a complaint had been made against him and that the CGAO Discipline Committee had referred the complaint to a Professional Conduct Tribunal for a hearing. The Notice of Hearing alleged that Mr. Panjwani had violated a number of the CGAO's *Code of Ethical Principles and Rules of Conduct*. A hearing was scheduled for December 2, 2004. The hearing was subsequently adjourned and commenced on July 7, 2005.

At the hearing, the Discipline Committee and Mr. Panjwani, through their respective counsel, presented an Agreed Statement of Facts to the Tribunal. The Statement read as follows:

The Parties

1. Throughout the material time Naz Panjwani was a member of the Certified General Accountants Association of Ontario ("CGA Ontario").
2. Naz Panjwani became a CGA in 1984 and, until the events at issue in this discipline proceeding, practised as a CGA without incident or complaint.
3. There are four complainants in this matter: Betty Lou Acchione, Theresa Acchione, Heather McLaren and Alan Jeans.

4. Betty Lou and Mario Acchione were the owners and operators of a business, Grand Valley Sand and Gravel. Howard Stanleigh, who at the time was a CGA, was the accountant for Betty Lou and Mario Acchione and Grand Valley Sand and Gravel between 1994 and 1996.
5. Mario Acchione died in October of 2001.
6. Theresa Acchione is the daughter of Betty Lou and Mario Acchione.
7. Heather McLaren was the fiancé of the now deceased son of Mario and Betty Lou Acchione .
8. Alan and Anina Jeans are the brother-in-law and sister of Mario Acchione.
9. At no time did Naz Panjwani act in any accounting capacity for Theresa Acchione or Alan Jeans.
10. Naz Panjwani prepared tax returns for Heather McLaren for two years. At no material time did Naz Panjwani provide business or other advice to Ms. McLaren. Naz Panjwani prepared these tax returns for Heather McLaren at the request of, and as a favour to, Mario Acchione.
11. For the years 1994-1996, while Howard Stanleigh was the accountant, Naz Panjwani provided supporting professional accounting services to Mario and Betty Lou Acchione and their business. From December 1997 to 2000, Naz Panjwani was the accountant for Grand Valley Sand and Gravel. Naz Panjwani prepared personal returns for Mario and Betty Lou Acchione and prepared financial statements and corporate tax returns for Grand Valley Sand and Gravel for the years 1997, 1998, 1999, 2000 and 2001. Naz Panjwani's professional assistance to Mario and Betty Lou Acchione and Grand Valley Sand and Gravel was limited to the preparation of statements and returns. Howard Stanleigh continued to provide business advise to the Acchiones and Grand Valley after he ceased to be their accountant in 1997.
12. Over time the relationship between Naz Panjwani and the Acchiones became a close and friendly one with Mario Acchione meeting several of the Panjwani family members.

The Involvement of Howard Stanleigh

13. For the years 1994, 1995 and 1996 Howard Stanleigh was retained to act as the accountant for Grand Valley Sand and Gravel and Mario and Betty Lou Acchione. Howard Stanleigh prepared personal tax returns for the Acchiones and financial statements and corporate tax returns for Grand Valley Sand and Gravel.
14. Howard Stanleigh also provided business consulting advice to the Acchiones and their company. He assisted Mario Acchione a business dispute between Mario and Mario's brother and business partner.
15. For approximately three years prior to 1998, Naz Panjwani acted as a bookkeeper for Grand Valley Sand and Gravel and assisted in the preparation of the books so that Howard Stanleigh could prepare statements and returns.
16. Due to other demands on Howard Stanleigh's time and the inconvenience to Mr. Stanleigh of commuting to Grand Valley for client meetings, Naz Panjwani became the principal contact with Betty Lou and Mario Acchione and eventually, by December 1997, Mario and Betty Lou Acchione and Grand Valley Sand and Gravel became Naz Panjwani's clients.
17. By 1997, Naz Panjwani had known Howard Stanleigh for 20 years and had grown to place great trust in Howard Stanleigh both professionally and personally. Specifically, Naz Panjwani had

worked as a subordinate to Howard Stanleigh at various corporations (Versa Services Ltd. and Lou Myles Ltd.) where Naz Panjwani had been impressed with Howard Stanleigh's diligence, skill and attention to supporting documents and back-up.

Howard Stanleigh and C.I.G.I.

18. In 1997 Howard Stanleigh introduced Naz Panjwani to an investment opportunity with C.I.G.I. (Consortium Investment Group) Inc. At all material times Howard Stanleigh was a director and shareholder and the president of C.I.G.I.. At the time that Naz Panjwani was told of the investment opportunity, Naz Panjwani was aware of the existence of C.I.G.I. since he had incorporated C.I.G.I., using the services of a paralegal, in 1996. Naz Panjwani had incorporated a number of businesses for Howard Stanleigh and other than the details of incorporation, knew nothing about any of these businesses, including C.I.G.I.
19. At no time did Naz Panjwani have any interest in C.I. G.I. nor was Naz Panjwani at any time an officer or director of C.I.G.I.
20. The investment was described by Howard Stanleigh as a Capital Enhancement Program. Howard Stanleigh advised Naz Panjwani that it was a good investment and that the principal would be secure. Howard Stanleigh encouraged Naz Panjwani to invest in C.I.G.I.
21. Although the investment promised a return of 10% per week, Naz Panjwani was satisfied that the investment was legitimate because of his past experience observing Howard Stanleigh's diligence. Naz Panjwani did not perform any due diligence on his own behalf.
22. On the basis of his trust and faith in Howard Stanleigh, Naz Panjwani invested the sum of \$15,000 U.S. in C.I.G.I. on August 25, 1997.
23. Howard Stanleigh has made admissions relating to his involvement in C.I.G.I. and his relationship to the complainants in an Agreed Statement of Facts in a separate discipline proceeding before the CGA discipline Tribunal, which is attached hereto as Exhibit "A".

Mario Acchione and the C.I.G.I. Investment

24. In late 1997, Naz Panjwani discussed the C.I.G.I. investment with Mario Acchione.
25. How the C.I.G.I. investment first came to be discussed by Naz Panjwani with Mario Acchione is in dispute between Naz Panjwani and the complainants. Naz Panjwani states that he did not raise the subject of the investment with Mario Acchione initially nor did he recommend to Mario Acchione that Mario invest in C.I.G.I. or otherwise promote the investment.
26. Naz Panjwani states that the investment was first discussed by him with Mario when Mario saw documents relating to the C.I.G.I. investment in Naz Panjwani's possession and Mario asked Naz Panjwani about these documents. At that time Mario had already discussed C.I.G.I. with Howard Stanleigh and had some knowledge of the investment.
27. Betty Lou Acchione states that Mario Acchione would not have asked questions about a contract document because Mario Acchione would not have understood the nature or content of the "investment contract" in question. Betty Lou Acchione was not present when the investment was first discussed between her husband and Naz Panjwani. Since Mario Acchione died in October 2001, his version of events cannot be obtained. The complaint herein was made approximately 1 ½ years after Mario Acchione's death. Naz Panjwani states that the reason Mario Acchione knew to ask questions about the contract was because he had already been made aware of the C.I.G.I.

investment from Howard Stanleigh. Howard Stanleigh says that Naz Panjwani brought the investment opportunity to the attention of the Acchiones.

28. Howard Stanleigh told Mario and Betty Lou Acchione and Naz Panjwani that he did not want to deal with small investors directly. Accordingly he suggested to Mario Acchione that Mario ask Naz Panjwani whether Naz Panjwani would account for, and report on, Mario's investment under Naz Panjwani's investment. Naz Panjwani agreed and it is for this reason that the contracts in this matter designated Naz Panjwani as holding the funds "in trust" for the Acchione Group and that Naz Panjwani provided reports to the Acchione Group on their investments, based on the reports that Naz Panjwani received from Howard Stanleigh.
29. It is admitted that Mario Acchione asked Naz Panjwani his opinion with respect to the C.I.G.I. investment and Naz Panjwani told Mario Acchione that he had personally invested in C.I.G.I. and that he thought it was a good investment.
30. Naz Panjwani advised Mario Acchione that the investment was with Howard Stanleigh and that Mario Acchione should obtain all necessary details and information with respect to the investment from Howard Stanleigh.
31. Naz Panjwani also advised Mario Acchione that he should conduct his own due diligence with respect to the investment.
32. Prior to investing with C.I.G.I., Mario and Betty Lou Acchione met with another director of C.I.G.I., Roger Hogue, and that this meeting occurred at the home of Roger Hogue. No member of the Acchione family has provided information regarding this statement.
33. Prior to investing with C.I.G.I., Mario and Betty Lou Acchione met with Howard Stanleigh. In this meeting Howard Stanleigh explained the investment to them. Mario Acchione expressed an interest to Howard Stanleigh in earning 10% weekly on his investment.
34. Howard Stanleigh has admitted that he knew or should have known from his dealings with the Acchiones that they had little or no investment experience. They did not invest in RRSPs. They had a few hundred dollars in Canada savings bonds for their children.
35. During the period that Naz Panjwani knew Mario and Betty Lou Acchione (1994-2000), Naz Panjwani knew that Mario and Betty Lou Acchione had investment experience only in relation to their gravel pit and land ownership businesses. He knew or should have known that Mario and Betty Lou had in the past put their available personal income back into their business.
36. After having spoken to Howard Stanleigh, Betty Lou and Mario Acchione decided to invest the amount of \$7000 US (\$10,200 CDN) in C.I.G.I. , in January 1998.
37. Naz Panjwani states that prior to Mario Acchione investing in C.I.G.I., Naz Panjwani confirmed orally to Mario Acchione that Naz Panjwani would only be acting as a go-between between Mario Acchione and C.I.G.I and Stanleigh, facilitating the transfer of funds from Mario to C.I.G.I. This understanding or discussion was not confirmed in writing. No member of the Acchione family has provided information regarding this statement.
38. Naz Panjwani prepared an investment contract (dated January 14, 1998) ("the January 1998 investment contract") which was signed by Mario and Betty Lou Acchione. The document was prepared by Naz Panjwani by copying a C.I.G.I. investment contract provided by Howard Stanleigh to Naz Panjwani. The contract signed by the Acchiones is also very similar to the

contract that Naz Panjwani signed with C.I.G.I. in 1997, except that Naz Panjwani is represented as an "agent" for C.I.G.I.

39. Naz Panjwani states that the January 1998 investment contract was not signed by Naz Panjwani because Naz Panjwani informed Mario and Betty Lou Acchione that he appeared as an agent for C.I.G.I. in error on the contract document. The parties agreed that a new contract with the agency relationship removed would be signed. Before this occurred, however, Mario and Betty Lou Acchione received the return of their funds plus interest. Betty Lou Acchione has not provided information regarding this statement.
40. On January 14, 1998 Mario and Betty Lou Acchione provided a bank draft in the amount of \$10,200 to Naz Panjwani, made payable to Naz Panjwani. These funds were deposited directly into Naz Panjwani's personal bank account. On January 15, 1998, Naz Panjwani transferred the funds to C.I.G.I. by bank draft.
41. Naz Panjwani did not benefit in any way from the transaction.
42. On June 25, 1998, Mario and Betty Lou Acchione received the sum of \$30,906.62 (CDN) which constituted the return of their January 14, 1998 principal plus interest.
43. Subsequent to June 25, 1998, Mario Acchione encouraged members of his family to invest in C.I.G.I.. Specifically, Mario discussed the investment with each of Heather McLaren, Theresa Acchione and Alan Jeans. All of these individuals first became aware of the investment through Mario Acchione.
44. By investment contract dated August 1, 1998, Mario and Betty Lou Acchione invested an additional \$24,300 US in C.I.G.I. In the contract the investor is described as "Naz Panjwani in trust for Betty Lou and Mario Acchione".

Theresa Acchione and the C.I.G.I. Investment

45. By investment contract dated August 1, 1998, Theresa Acchione invested \$10,000 in C.I.G.I. At the time Theresa Acchione made the investment she was studying accounting at the University of Waterloo and has since become a Chartered Accountant, employed by Deloitte & Touche LLP.
46. Theresa Acchione did not discuss the investment with Naz Panjwani prior to making the investment. Theresa Acchione made the investment based on her discussions with her parents. She knew that Naz Panjwani was involved in the investment and was her parents' accountant.
47. Theresa Acchione reviewed the investment contract before advancing the funds. The \$10,000 funds were advanced to Mr. Panjwani on August 5, 1998.
48. In the investment contract with respect to Theresa Acchione's investment the investor is described as "Naz Panjwani in trust for Theresa Acchione" and Howard Stanleigh is listed as agent for C.I.G.I.. Naz Panjwani signed the agreement in trust for Theresa Acchione. Howard Stanleigh signed as agent and on behalf of CIGI.
49. Naz Panjwani never acted as an accountant for Theresa Acchione and had no knowledge of her financial means or her investment knowledge or experience.

Heather McLaren and the C.I.G.I. Investment

50. By investment contract dated August 1, 1998 Heather McLaren invested the sum of \$6,587 US (\$10,000 CDN) in C.I.G.I. Heather McLaren did not discuss the investment with Naz Panjwani prior to investing. Heather McLaren made the investment based on her discussions with Betty Lou and Mario Acchione.
51. Heather McLaren admitted to James Yakimovich, investigator in this matter, that she and the other complainants invested in C.I.G.I. because of the return received by Mario Acchione in June 1998.
52. In the investment contract with respect to Heather McLaren's investment the investor is described as "Naz Panjwani in trust for Heather McLaren" and Howard Stanleigh is listed as agent for C.I.G.I. Naz Panjwani signed the agreement in trust for Heather McLaren. Howard Stanleigh signed as agent and on behalf of CIGI.

Alan Jeans and the C.I.G.I. Investment

53. By investment contract dated August 1, 1998 Alan and Nina Jeans invested \$9,966 U.S. (\$15,000 CDN) in C.I.G.I. Prior to advancing the funds, Alan Jeans met with Naz Panjwani. Naz Panjwani told Alan Jeans that he had invested his own funds in C.I.G.I. and that he thought it was a good investment. Alan Jeans reviewed the investment contract prior to advancing the funds. Al Jeans personally delivered Naz Panjwani a cheque payable to Naz Panjwani in trust.
54. Naz Panjwani never acted as an accountant for Anina and Alan Jeans or their businesses. Naz Panjwani had no knowledge of the financial means of Anina and Alan Jeans or their investment knowledge or experience.
55. By investment contract dated November 10, 1998, Alan and Anina Jeans invested an additional \$50,000 CDN in C.I.G.I. Al Jeans gave Naz Panjwani a cheque payable to Naz Panjwan in trust for \$50,000.
56. In both of these investment contracts the investor is described as "Naz Panjwani in trust for Alan and Anina Jeans" and Howard Stanleigh is listed as agent for C.I.G.I.. Naz Panjwani signed the agreement in trust for Alan and Anina Jeans. Howard Stanleigh signed as agent and on behalf of CIGI.

No Benefit to Naz Panjwani

57. All of the funds invested by Theresa Acchione, Heather McLaren, Alan and Nina Jeans and Betty Lou and Mario Acchione were deposited in Naz Panjwani's personal bank account and were then transferred, pursuant to their instructions, to C.I.G.I.
58. Naz Panjwani did not receive any benefit from the transactions. All of the funds were delivered to Howard Stanleigh and C.I.G.I.
59. Naz Panjwani did not solicit the complainants' investment in C.I.G.I.
60. Naz Panjwani's statements to Mario and Betty Lou Acchione and Alan Jeans that he thought the investment in C.I.G.I. was a good investment were made on the basis of his honestly held, but mistaken, belief.

61. Naz Panjwani's reports to the complainants on their investments in C.I.G.I. were made on the basis of Naz Panjwani's honestly held, but mistaken, believe in the accuracy of the reports.

The Guarantees Made by Howard Stanleigh

62. At the time the investments were made, the members of the Acchione Group understood that the funds were being invested by Howard Stanleigh.
63. In each of the Acchione Group contracts it is acknowledged that Howard Stanleigh was responsible for ensuring that the investors' funds were protected at all times.
64. In each of the Acchione Group contracts Howard Stanleigh personally guarantees that, on demand in writing by the Investor for the return of the Investor's principal, "the Agent hereby guarantees a certified Cheque in the amount of the investment made by the Investor within five (5) business days of the written request by the Investor".
65. There is no evidence that the funds are or were protected or that their whereabouts are known or that the funds can or will be returned.
66. The contract stipulated that the investment money would be placed in a "High Yield Bank Transaction" that was "secured by a triple A 106 bank guarantee". It further represented that the money would be held on deposit until such a transaction with such a guarantee could be obtained.
67. There is no evidence that the funds invested on behalf of the third parties who advanced moneys to Howard Stanleigh were placed in a High Yield Bank Transaction or that they were secured by a triple A 106 bank guarantee or, in the alternative, that the funds were held on deposit until such a transaction with such a guarantee could be obtained.

The Loss of Investment by the Complainants

68. To the extent that Naz Panjwani advised Mario Acchione, Betty Lou Acchione and Alan Jeans, prior to their investing in C.I.G.I., that he himself had invested in the C.I.G.I. and that he thought it was a good investment, Naz Panjwani made representations to these individuals without having objective and accurate knowledge of the economic viability and details of the investment.
69. Subsequent to the Acchione Group members investing in C.I.G.I., Naz Panjwani reported to the complainants on the status of their investments, including reporting to them with respect to the profits on their investments. For example, in November 1998 Naz Panjwani advised the complainants that they had earned 75% on the original principal and 25% profits, if applicable. A number of these letters or reports were delivered under the name "Naz Panjwani and Associates Investments". Naz Panjwani prepared letters and provided charts to the Acchione Group that showed escalating earned profits, including compounded interest between 50 and 75%. By letter dated November 9, 1998 Naz Panjwani informed the complainants that he would be returning the investment principal on February 1, 1999 unless the complainants instructed him to leave the principal investments in C.I.G.I. Naz Panjwani was instructed to leave the principal in C.I.G.I.
70. Naz Panjwani made these reports and representations to the complainants by relying on Howard Stanleigh's reports and without checking the accuracy of these representations or doing any due diligence as to the nature or security of the investment.

71. Between 2001 and 2003 the Acchione Group members requested the return of their money verbally many times. Mr. Jeans also requested in writing that the money be returned. These requests were made to both Naz Panjwani and Howard Stanleigh.
72. Howard Stanleigh, who had guaranteed the return of the investments made, did not return the money on behalf of CIGI, neither principal nor interest. CIGI, which had also guaranteed the return of the investment made, did not return the money.
73. The Acchiones advanced \$7,000 U.S. and received \$20,000 U.S. They then advanced \$24,300 U.S. Their net unreturned investment without taking interest into account is \$11,300 U.S.
74. Theresa Acchione advanced \$10,000 Cdn (\$6,587.18 U.S.).
75. Heather McLaren advanced \$10,000 Cdn (\$6,587.18 U.S.).
76. The Jeans advanced \$50,000 Cdn and \$15,000 CDN (\$9,966 U.S.)
77. Naz Panjwani advanced \$20,700 CDN (\$15,000 US). Another member of Naz Panjwani's family advanced \$25,000 US (\$40,000 CDN).
78. These monies in paragraphs 73-77 inclusive have not been returned.
79. When the Acchione Group members demanded return of their money, Howard Stanleigh represented to them that the money would be coming shortly and asked them to be patient.
80. When the Acchione Group members demanded the return of their money from Naz Panjwani, Naz Panjwani, based on assurances from Howard Stanleigh, similarly advised the complainants that the money would be coming shortly and asked them to be patient. Naz Panjwani did little or no or insufficient due diligence with respect to the assurances he passed on to the complainants that the funds would be wired shortly.

The Code of Ethical Principles and Rules of Conduct

81. Naz Panjwani's actions, in making representations to the complainants about the investment, rather than insisting that the complainants deal directly with Howard Stanleigh on whom Naz Panjwani was relying, and in failing to do appropriate due diligence and in reporting to the complainants about the profits and return on their investments without adequate information or basis for such reports, including reporting to them on occasion on letterhead stating "Naz Panjwani, Certified General Accountant" are of a nature to discredit the profession in violation of Rule 101 of the Code of Ethical Principles and Rules of Conduct (the "Code") – Discredit and constitute Detrimental Action – Rule 606(a).
82. Naz Panjwani's reports to the complainants about their profits and return on their investments also constitute a breach of Rule 306 – Sufficient Information; Rule 401 – Communications Issued in Connection with Financial Information; and Rule 402 – Association with Financial Information.
83. Naz Panjwani's failure to report Howard Stanleigh to the Association when it became clear to Naz Panjwani that the monies invested by him and the complainants were not likely to be returned constitutes a breach of Rule 104 – breach of rules and Rule 606(b) – Detrimental Action.
84. This Agreed Statement of Facts is made on the basis that Naz Panjwani will be disciplined regardless of the fact that Naz Panjwani was not acting in respect of the C.I.G.I. investments in his capacity as a CGA for any of the complainants. Naz Panjwani understands that the Tribunal's

jurisdiction may apply to actions taken by members even if they are not acting as Certified General Accountants and he accepts the discipline measures on this basis.

85. Mr. Panjwani and his family, along with the complainants, were the victims of Mr. Stanleigh's fraud. Mr. Panjwani has suffered considerably to date, both financially and emotionally as a result of his involvement in the fraud.

86. The complainants in this matter and one other individual are the only arm's length individuals with whom Mr. Panjwani discussed the C.I.G.I. investment. In total, Mr. Panjwani discussed the C.I.G.I. investment with and acted as an intermediary for six parties, the four complainants, one family member and one close friend who is also a CGA.

87. This Agreement is made for the purpose of resolving this discipline proceeding and cannot be used for any other purposes or in any other proceeding.

At the hearing, the Discipline Committee entered into evidence a number of documents relating to the above facts (which are not necessary to summarize). Mr. Panjwani consented to the admission of the documents into evidence.

No witnesses were called to testify at the hearing.

As noted in the Agreed Statement of Facts, Naz Panjwani admitted to a number of breaches of the Rules. The Tribunal heard no evidence to contradict these admissions and, based on the evidence presented, we find that Mr. Panjwani did in fact violate Rules 101, 104, 306, 401, 402, and 606.

Counsel for both the Discipline Committee and Mr. Panjwani made submissions to the Tribunal and then provided the following agreement on penalty:

I, Naz Panjwani, hereby consent to the following terms which I understand the Discipline Committee of the Certified General Accountants seeks to have the Professional Conduct Tribunal impose:

1. suspension from membership in the Association for a period of 10 months;
2. requirement that I complete the Ethics Module and Case Study course offered by CSI (Canadian Securities Institute);
3. publication of the discipline decision in CGA Ontario Statements;
4. automatic reinstatement of my membership in the Association after the expiry of the 10 month suspension, provided I have completed the ethics course above. If I have not successfully completed the ethics course within the 10 months, I will not be reinstated until I do successfully complete the course;
5. contribution of \$2,500.00 to the costs incurred by the Association.

I understand that the complainants are seeking a restitution order in the amount of their principal investments and understand that the Discipline Committee will neither argue for or against such restitution

Counsel for the Discipline Committee advised the Tribunal that the Complainants Betty Lou Acchione and Alan Jeans had previously informed her of their intention to attend the hearing and to make representations to the Tribunal requesting an order that Naz Panjwani pay each of them restitution in respect to monies that they paid to Mr. Panjwani that have not been returned to them. The Complainants Betty Lou Acchione and Alan Jeans did not attend the hearing. Counsel for the Discipline Committee advised the Tribunal that she was satisfied that that the Complainants were aware of the date, time and place of the hearing and she made efforts during the course of the hearing to contact the Complainants without success. The Complainants had left no messages with the office of counsel for the Discipline Committee. Counsel for the Discipline Committee made no representations in respect to the issue of an order for restitution. Counsel for Mr. Panjwani submitted that this was not an appropriate case to award restitution for the following reasons:

1. Mr. Panjwani did not benefit from these transactions;
2. Mr. Panjwani also lost the monies that he invested with Mr. Stanleigh; and
3. a restitution order had been granted as against Mr. Stanleigh by another Professional Conduct Tribunal.

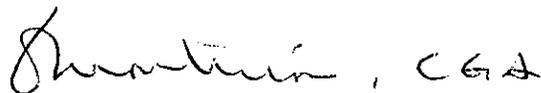
After considering all of the facts and submissions of the parties, the Tribunal has concluded that the agreement on penalty submitted jointly by the parties is reasonable. In respect to the suspension from membership in the Association, the Tribunal specifically directs that Naz Panjwani not use the CGA designation in any fashion whatsoever during the period of suspension and that he surrender his certificates of CGA designation to the Association during the period of suspension.

The Tribunal has decided not to grant an order of restitution in these circumstances. The reasons for our conclusions are as follows:

- The Tribunal recognizes that Mr. Panjwani and his family were also the victims of Mr. Stanleigh's fraud and Mr. Panjwani has suffered both financially and emotionally as a result of his involvement in this fraud.
- The Tribunal acknowledges that Mr. Stanleigh was the principal in C.I.G.I. and that Mr. Panjwani was relying on Mr. Stanleigh based upon his long standing professional relationship with Mr. Stanleigh.

- Nonetheless, Mr. Panjwani made representations to some or all of the Complainants about the investment, rather than insisting that the Complainants deal directly with Mr. Stanleigh. Further, Mr. Panjwani failed to do appropriate due diligence and reported to the Complainants about the profits and return on their investments without adequate information or basis for such reports. Further, Mr. Panjwani reported to the Complainants on occasion on letterhead that referenced his CGA designation and it was reasonable for the Complainants to rely upon Mr. Panjwani in those circumstances.
- Mr. Panjwani failed to report Mr. Stanleigh to the Association when it became clear to him that the monies invested by him and the Complainants were not likely to be returned contrary to Rules 104 and 606 (b).
- Although Mr. Panjwani was not acting in respect of the C.I.G.I. Investments in his capacity as a CGA for any of the Complainants, he had a professional relationship as a CGA for some of the Complainants and referenced his CGA designation in his dealings with the Complainants including his reporting on the investments.
- The CGA of Ontario has incurred substantial costs in terms of money and human resources to investigate this complaint and bring this case to a closure. Thus the Tribunal agrees with the order for Mr. Panjwani to pay the Discipline Committee's costs in the amount of \$2500.
- As Mr. Panjwani did not directly benefit from the investments and served as an intermediary between the Complainants and Mr. Stanleigh and as there is already an order for restitution to the Complainants against Mr. Stanleigh, the Tribunal has concluded that an order for restitution against Mr. Panjwani is not appropriate in the circumstances. The other orders requested by the Discipline Committee are hereby granted.

Dated this ^{25th} day of July , 2005



Donn Martinson, CGA
For the Tribunal

NOTICE

This decision of the Professional Conduct Tribunal may be appealed to an Appeal Tribunal within thirty (30) days of the sending of this decision. The Notice of Appeal must be in writing, addressed to the Secretary of the Association (Certified General Accountants of Ontario, 240 Eglinton Avenue East, Toronto ON M4P 1K8) and must contain the grounds for the appeal.

TAKE NOTICE THAT, in an appeal, the Appellant bears the onus of obtaining copies of the transcript of the hearing before the Professional Conduct Tribunal for the Appeal Tribunal (4 copies) and for the Respondent (1 copy). According to Article 9 of By-Law Four, a Notice of Appeal that fails to contain the grounds for the appeal, together with evidence that demonstrates that a transcript of the hearing giving rise to the appeal has been ordered, shall be invalid.