

**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 Gurpreet Singh

B E T W E E N:

The Discipline Committee of The Certified General Accountants Association of Ontario

- and -

Gurpreet Singh

DECISION OF THE PROFESSIONAL CONDUCT TRIBUNAL

Members of the Professional Conduct Tribunal Panel:

Jane Bennie, CGA, Chair
John Biancucci, CGA
Fraser Scantlebury, 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 Debra Taylor, FCGA, January 21, 2013 and signed by Gurpreet Singh, CGA, January 28, 2013. The Professional Conduct Tribunal Panel accepts the attached proposal as set out by the parties. The attached proposal is hereby ratified.

Dated this 25th day of February, 2013

I, Jane Bennie, CGA, 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.



Jane Bennie, CGA

**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 Gurpreet Singh, a member of the
Certified General Accountants Association of Ontario**

STATEMENT OF FACTS AND RESOLUTION

A. AGREED UPON STATEMENT OF FACTS

Status with CGA Ontario

1. I became a member of CGA Ontario in 2006.
2. My CGA Ontario certificate number is 19413 and my CGA Canada certificate number is 359540.

Retainer

3. From the date of their incorporation in or about 2007 until November 2009, I was retained by 2074874 Ontario Inc. and 1579240 Ontario Inc. (the "Corporations") to provide bookkeeping and accounting services to them.
4. In the course of my retainer, I was given access to information from the Corporations that I would not have had but for my role as the Corporations' professional accountant.
5. My father-in-law Faqir Padda ("Padda") was one of three directors and one of three shareholders of the Corporations.
6. In or about December 2009 a dispute developed between the two other shareholders (the "Two Shareholders"), on the one hand, and Padda, on the other.
7. Padda commenced legal action against the Corporations and the Two Shareholders.

Disclosure of Confidential Information

8. At the request of Padda, I met with his lawyer and I swore an affidavit in support of his application for the appointment of a receiver over the affairs of the Corporations.
9. In the affidavit I also gave my opinion about the Two Shareholders and their running of the Corporations. Among other things, I stated that:
 - (a) one of the Two Shareholders had given me forged contracts;
 - (b) the source documentation I used for my accounting may have been false;
 - (c) one of the Two Shareholders was attempting to improperly claim employment insurance benefits;
 - (d) one of the Two Shareholders was dealing with the Corporations' cash receipts in a manner that amounted to tax evasion;
 - (e) in my opinion, one of the Two Shareholders was running the Corporations in a manner that suited his personal interests and not in the interests of the Corporations;
 - (f) one of the Two Shareholders was misappropriating funds from the Corporations; and
 - (g) a receiver should be appointed over the Corporations' affairs.

The Disclosure of Confidential Information was not Compelled by Law

10. I was not served with a summons or otherwise compelled by process of law or statute to swear the affidavit.

The Corporations and the Two Shareholders did not Consent to my Disclosure of the Confidential Information

11. In my affidavit I disclosed information about the Corporations and about the Two Shareholders that I had access to only as a result of my retainer as the Corporations' accountant.
12. Neither of the Two Shareholders consented to my disclosure of this confidential information.
13. As a minority shareholder and a minority director, Padda alone did not have the authority that would have allowed me to disclose information about the Corporations through an affidavit filed in court.

14. Padda did not have authority to permit me to disclose information about the personal dealings of one of the Two Shareholders.

The Code of Ethical Principles and Rules of Conduct (the "Code")

15. The Association's Principle on Trust and Duties states:

Members shall act in the interest of their clients, employers, and interested third parties, and shall be prepared to sacrifice their self-interest to do so. Members shall honour the trust bestowed on them by others, and shall not use their privileged position without their principal's knowledge and consent. Members shall strive to be independent of mind and in appearance.

16. In (a) disclosing information about one of the Two Shareholders without his consent; (b) disclosing information about the Corporations without their consent; (c) voluntarily providing my opinion in a sworn affidavit about the running of the businesses of the Corporations and the conduct of the Two Shareholders and opining that a receiver should be appointed over my former clients, the Corporations, I violated my obligation of Trust and Duties.

17. The Code's Rule 201 - Confidentiality - states:

R201 Confidentiality

A member shall not disclose or use any confidential information acquired as a result of professional or business relationships without proper and specific authority or except as described in Rules R201.1 and R201.2

R201.1 Mandatory Disclosure

A member shall disclose the confidential information:

- a. Where disclosure is compelled by a process of law or by statute.*
- b. Where such confidential information is required to be disclosed by the board of directors of the Association or any of its committees appointed thereby in the proper exercise of its duties.*

R201.2 Discretionary Disclosure

A member is not forbidden from disclosing the confidential information to a police authority where a member becomes aware of conduct that a reasonable informed third party would believe to be apparent or suspected criminal activity. Keeping in mind that the obligation of confidentiality is of paramount importance, before making such a disclosure, a member is encouraged to obtain legal

advice as to the member's duties and obligations as a citizen in the context of the member's professional activities. A member so doing shall not be in violation of this rule regarding confidentiality, by reason only of the seeking or following of such legal advice or reporting.

18. By disclosing in an affidavit in support of my father-in-law, information that I had obtained as a result of my retainer by the Corporations and in providing my opinion on the Corporations' affairs and the conduct of the Two Shareholders, I disclosed confidential information acquired as a result of my professional or business relationships without proper and specific authority. As the disclosure in an affidavit was neither compelled by a process of law or required by the board of the Corporations and was not disclosure to a police authority of suspected criminal activity, I did not fall within any exception that would have permitted my disclosure.
19. 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 disclose the confidential information about the Corporations and the Two Shareholders.
2. I agree that my conduct amounted to a violation of Principle on Trust and Duties in the *Code*.
3. I agree that my conduct amounted to a violation of the *Code's* Rule 201 – Confidentiality.
4. I accept a reprimand as a result of my breaches of the *Code*.
5. I accept a fine in the amount of \$2,000, representing a fine of \$1,000 for each of the two Rule and Principle breaches.
6. I understand that the committee is not seeking any legal 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 a contribution from me to the costs of that hearing.
7. I understand that, as required by the bylaws, the terms of the resolution will be published in Statements in print and online and on the Association's website.
8. 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.

- 9. 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.

Date of Offer:

Name:

21 January 2013

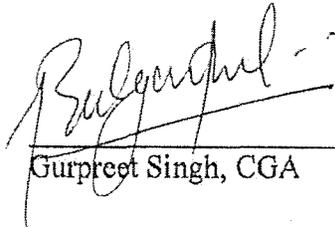


Debra Taylor, FCGA
Chair, Discipline Committee

Date of Acceptance:

Name:

28 JAN 2013



Gurpreet Singh, CGA