

IN THE MATTER OF
**CHARTERED PROFESSIONAL ACCOUNTANTS
OF BRITISH COLUMBIA** (“CPABC”)
AND
A COMPLAINT AGAINST
DENNIS EDWARD PETKE (“Former Member”)

DECISION

1. On October 29, 2018, the Former Member entered into a Resolution Agreement with the CPABC, in which he agreed among other things to a suspension of his membership in CPABC, and to restrictions on his use of the designation “Chartered Professional Accountant” as well as any initials such as “CPA” or “CA” which signify the designation.
2. The Former Member failed to comply with the terms of the Resolution Agreement.

Background

3. In October 2016, the Investigation Committee of the CPABC determined that grounds existed for disciplinary action against the Former Member under the *Chartered Professional Accountants Act* (“CPA Act”) and proposed to the Former Member that its concerns be resolved with a “Determination and Recommendation” (“D&R”).
4. In December 2016, the Former Member agreed to a D&R, which provided:

“The Investigation Committee has investigated the conduct of Mr. Dennis Petke and has determined that grounds exist for disciplinary action against Mr. Petke for having contravened the CPABC Code of Professional Conduct and CPABC’s Bylaws as follows:

Rule 101 Compliance with governing legislation, bylaws, regulations and the Code

Rule 104 Requirement to co-operate

Rule 201.1 Maintenance of the good reputation of the profession

Rule 217 Advertising

Bylaw 700 Public Practice by Members

Mr. Petke:

- *provided public accounting services, including 'CFO for hire' services, without current licensure or insurance;*
- *did not adequately co-operate with CPABC's Public Practice Regulation and Licencing department when they made enquiries about his business activities; and*
- *maintained a website which advertised his services. He did not keep the website updated to ensure it accurately reflected the services he was currently offering.*

It is the Committee's recommendation that a Statement of Complaint not be issued, on condition that Mr. Petke:

- (i) accept a reprimand;*
- (ii) pay a fine of \$2,800;*
- (iii) pay expenses of \$2,281 plus GST of \$114.05, and*
- (iv) attends and successfully completes by June 30, 2017 the courses:*
 - A. Ethical Principles and the Accounting Profession – CPABC Code Decoded; and*
 - B. Starting a Successful CPA Practice."*

5. The Former Member failed to comply with the D&R.

6. In October 2017, the CPABC issued a Statement of Complaint against the Former Member alleging professional misconduct resulting from various breaches of Rules 101, 104, 201, 202, 208, and 217 of the *Rules of Professional Conduct*, and of *Bylaws* 700, 800, 1106, and 1301.

7. An amended version of the Statement of Complaint was set for hearing before a Panel of the CPABC Disciplinary Committee on September 17, 2018. The Former Member did not attend the hearing. Instead, he began negotiations with the CPABC that led to a Resolution Agreement he entered into with the CPABC on October 29, 2018.

8. The Resolution Agreement provided:

“On June 8, 2017, the Investigation Committee of CPABC authorized a Statement of Complaint to be delivered to the Disciplinary Committee concerning professional misconduct CPABC alleges that I have committed (the “Disciplinary Proceedings”).

The Disciplinary Proceedings are currently ongoing, but I have agreed with CPABC to resolve them on the basis of the following terms and conditions:

1. *CPABC will discontinue the Disciplinary Proceedings.*
2. *I agree to voluntarily suspend my membership in CPABC for a period of nine (9) months, commencing on the day after Board approval and acceptance of this agreement (estimated date to be in October, 2018) (the “Suspension Period”). The exact start and end dates of the suspension will be communicated to me by CPABC.*
3. *By no later than October 31, 2018, I will surrender to CPABC my certificate of membership in CPABC and my legacy certificate of membership in the Chartered Accountants of British Columbia.*
4. *During the Suspension Period:*
 - (a) *I will cease to be a member in good standing of CPABC, but will continue to be bound by and will comply with the Chartered Professional Accountants Act, S.B.C. 2015, c.1 (the “CPA Act”), CPABC’s Bylaws and Bylaw Regulations, and the CPA Code of Professional Conduct;*
 - (b) *I will not use or display the designations “Chartered Professional Accountant” or the initials “CPA” signifying that designation, or use or display any designation or initials signifying a designation authorized to be used under section 44(1)-(6) of the CPA Act, or use or display a designation referenced in section 2 of the Legacy Designations Regulation, B.C. Reg. 114/2015, or in any*

other manner, imply, suggest, or hold out that I am entitled to use or display a designation or the initials signifying a designation referred to in section 45(1)(a) of the CPA Act or possess accounting qualifications granted or approved under the Bylaws or otherwise am a Chartered Professional Accountant, or use or display the designation "Professional Accountant" or the initials "PA" signifying that designation, or in any manner imply, suggest, or hold out that I am a professional accountant;

(c) the designation "Chartered Professional Accountant", "Chartered Accountant", or "Professional Accountant" and the initials "CPA, CA", "CPA", "CA", or "PA" will be removed from all letterhead, business cards, signage, statements of account, telephone directories, websites, LinkedIn profiles, email signatures, and all other media, communications, or documentation bearing my name;

...

- 10. By no later than November 30, 2018, I will pay CPABC the amount of \$15,000.00 towards the costs of the Disciplinary Proceedings it has incurred to date, by delivering to CPABC a bank draft, certified cheque, or law firm trust cheque.*

...

- 13. During the suspension period, I will comply with the outstanding requirements of the signed Determination and Recommendation in case 16-032, specifically:*

(a) By no later than November 30, 2018, I will pay CPABC a fine in the amount of \$2,800.00, by delivering to CPABC a bank draft, certified cheque, or law firm trust cheque; and

(b) Personally attend and successfully complete the course: Starting a Successful CPA Practice, by April 30, 2019."

9. The Former Member did not comply with the terms of the Resolution Agreement.

10. As a result, the CPABC issued the Further Amended Statement of Complaint which is the subject of this Decision. Although given proper notice of the hearing of the Complaint, the Former Member did not attend, and the hearing proceeded in his absence. Subsequent to the hearing, he resigned from CPABC and is therefore now a "Former Member".

Considerations

11. Considering the evidence adduced at the hearing, it is plain to the Panel that the Former Member's conduct contravened Sections 45(1)(a)(ii), (c), and (4) of the *CPA Act*, Section 2(g) of the *Legacy Designations Regulations*, Rules 101.1 and 201.1 of the *CPA Code of Professional Conduct*, and Bylaws 507(3), 509(2), and 1205(3)(a).

12. Rule 101.1 of the *CPA Code of Professional Conduct* required the Former Member to comply with the legislation, bylaws, regulations, and rules that govern the profession and membership in the profession. Rule 201.1 required the Former Member to "*act at all times with courtesy and respect and in a manner which will maintain the good reputation of the profession and serve the public interest.*" These Rules are at the essence of the privilege of membership in the profession, the integrity of the profession, and the professional status reflected by the CPA designation.

13. By his chronic disregard of the requirements of the *CPA Code of Conduct*, and his blatant disregard of his own binding agreements, the Former Member showed he was unwilling to be governed by the profession and its professional standards, and it appears to the Panel that he did not consider the CPA designation to have the value for him which the profession and the public expect it to have.

14. The Former Member's manifest disrespect of the profession would in the view of the Panel have warranted cancellation of his membership. As the Former Member has resigned, that determination is now unnecessary.

15. However, the prospect of a possible resignation by the Former Member was considered at the hearing, and the Panel is mindful that, in accordance with Sections 50(1), 53(2) and 53(4) of the *CPA Act*, it retains the authority to determine the entirety of the Complaint on the basis of the evidence adduced at the hearing.

Conclusion

16. In all the circumstances, the Panel is satisfied that the conduct of the Former Member constituted egregious professional misconduct and conduct unbecoming a member under Sections 53(2)(c) and (d)(i) of the *CPA Act*.

17. Accordingly, the Panel hereby orders that the Former Member, Dennis Edward Petke:

a. be permanently barred from applying for membership in CPABC;

b. pay immediately to CPABC the total sum of \$17,800 pursuant to the Resolution Agreement he entered into with CPABC; and

c. pay to CPABC, in accordance with the Tariff of Costs in Bylaw Regulation 1208/1, its costs relating to conduct of the hearing and the investigation resulting in the hearing immediately upon being presented with its Statement of Costs, in regard to which the Panel also reserves the jurisdiction to determine the amount of the costs in the event of a disagreement between CPABC and Mr. Petke.

August 8, 2019



For the Panel:

Charles Chandler, FCPA, FCA, Chair

Pauline Megannety, CPA, CMA

Allan Plaustein, CLU