

Discipline Notice

On June 23, 2017, a panel of the Discipline Committee (the “Panel”) of the Institute of Chartered Accountants of Manitoba (“ICAM”), now the Chartered Professional Accountants of Manitoba (“CPA Manitoba”), held a hearing into the charge of professional misconduct against Mr. Jerry Shell, CPA, CA, a member of ICAM and now CPA Manitoba (the “Member”). The hearing was held under the provisions of *The Chartered Accountants Act* pursuant to the transitional provisions of *The Chartered Professional Accountants Act*.

The Member appeared before the Panel with legal representation and entered a guilty plea. He confirmed that by entering a plea of guilty he was acknowledging that his impugned conduct amounted to professional misconduct.

The Panel heard evidence that:

1. On numerous occasions between April 26, 2009 and March 3, 2010, the Member forged the signature of his former business partner (“X”), who had died on April 26, 2009. The forgeries occurred on cheques issued by the business in which both the Member and X were partners (the “Business”), in order to pay various expenses of the Business;
2. In or about January, 2010, the Member forged the signature of X in order to transfer all of the funds on deposit in a bank account of the Business, being approximately \$107,000.00, to a new bank account owned and controlled solely by the Member. The effect of this transfer was to convert the funds in the Business’ bank account to his own use, or to the use of another entity owned and controlled by him.
3. The Member carried out these forgeries knowing that X’s widow claimed an interest in the Business and was attempting to negotiate a resolution of that interest.

Mitigating factors in this matter include that:

- All of the money represented by the cheque’s were paid for legitimate business purposes;
- The Member was under significant personal and professional pressure at the time of the death of X;
- The Member was cooperative with the investigation and provided copies of all of the cheques and bank documents;
- The Member resolved the dispute with the widow of X;
- The Member was not personally enriched by his conduct. What he received in compensation during the period when the cheques were written and when the money was transferred was consistent with previous years; and
- Prior to entering a guilty plea on June 23, 2017, the Member had no disciplinary record.

The Member plead guilty to breaching Rule 201.1 of the Rules of Professional Conduct for failing to maintain the good reputation of the profession and its ability to serve the public interest.

The Panel found the Member guilty of professional misconduct with respect to the charge. The Panel accepted a joint submission from legal counsel for the Professional Conduct Committee and legal counsel for the Member that a fine and publication is an appropriate disposition of this matter.



The Panel ordered that the Member pay a fine in the amount of \$10,000. The Panel also ordered publication of the facts and circumstances of the matter and its disposition with reference to Mr. Shell by name on the CPA Manitoba website and in its newsletter.

Inquiries regarding this matter or the compliant process can be obtained from:

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