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American Institute of Accountants Trial Board

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American Institute of Accountants

TRIAL BOARD

The council of the American Institute of Accountants sitting as a trial board in the Chamber of Commerce of United States at Washington, D. C., on Monday April 13, 1931, heard charges preferred by the committee on professional ethics and adjudicated them as follows:

A member of the council and his partners were charged with having sent a letter and pamphlet containing an address by one of the members of the firm to a bank which was not a client of the firm. The senior partner of the firm appeared before the trial board on behalf of himself and his partners. He expressed himself as out of sympathy with the Institute's rules against advertising and solicitation.

The trial board unanimously resolved that the members be found guilty and that they be reprimanded and required to refrain from any further acts such as that which was the subject of complaint.

Two members practising in partnership were accused of having published advertising matter contrary to the rules of the Institute and of displaying window signs which were offensive to good taste. Both members were found guilty. One, who had previously been accused of offences against the rules of conduct, was suspended for a period of six months. The other member who had not previously offended and had promised to refrain from such practices in the future was reprimanded and discharged.

William C. Rion, an associate of the Institute, of Columbia, South Carolina, was accused of advertising and refusing to conform to the requirements of the committee on professional ethics. The defendant was found guilty and suspended from the Institute for a period of six months.

Ferdinand W. Lafrentz, Charles S. McCulloh, Arthur F. Lafrentz, Harry M. Rice and J. Arthur Marvin were charged with a breach of the rules of professional conduct by preparing and certifying a statement omitting facts which amounted to failure to put prospective investors on notice in respect of essential and material facts not specifically shown in the balance-sheet which was the subject of the statement. The members concerned appeared before the trial board and answered the charges preferred against them. After a full hearing the trial board found that the rules had been violated, and ordered that the members thus charged be reprimanded.