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AMERICAN INSTITUTE OF ACCOUNTANTS

TRIAL BOARD

The council of the American Institute of Accountants at its regular meeting on April 13, 1925, convened as a trial board to hear charges preferred against a member accused of violating rules 8 and 11 of the rules of professional conduct in that he had advertised his professional attainments and solicited the clients of other members.

After a full hearing and consideration of the evidence, it was resolved that the member be suspended for a period of two years, with the proviso that if it shall develop that he has abstained from any further breach of the rules of conduct of the Institute, then at the end of one year from the date of his suspension an application for his reinstatement may be considered.

The council, sitting as a trial board, then considered an application for reconsideration of a case which had originally been presented against William Whitfield and W. D. Whitcomb of Portland, Oregon. The trial board in April, 1924, had reprimanded and admonished these members for their alleged complicity in the preparation of a balance-sheet signed by Whitfield, Whitcomb & Co., this balance-sheet being considered by the trial board as misleading and not in conformity with good accounting practice.

At the meeting of council, sitting as a trial board, in September, 1924, Mr. Whitfield having applied for reconsideration, and having demonstrated that he had had nothing to do with the preparation of the balance-sheet, and that the peculiar circumstances were such that he was in no wise responsible therefor, he was, after consideration, exonerated.

At the meeting on April 13, 1925, the trial board granted a request from W. D. Whitcomb that the case be reopened and that he be permitted to present evidence demonstrating his innocence in the matter.

The request was granted and Mr. Whitcomb appeared before the trial board. After a full hearing the following resolution was adopted:

Resolved, That W. D. Whitcomb be exonerated from the charge involving the misleading balance-sheet for which as a member of the firm of Whitfield, Whitcomb & Co. he was tried in April, 1924, and given the punishment of reprimand and censure, and

Resolved further that the action of the council be published in *The Journal of Accountancy* setting forth the exoneration of both Mr. Whitfield and Mr. Whitcomb by reason of the fact that upon the production of additional testimony the council, sitting as a trial board, found that the entire responsibility for the offense rested on another member of the firm of Whitfield, Whitcomb & Co. not a member of the American Institute of Accountants, and that there was no responsibility resting upon either Mr. Whitfield or Mr. Whitcomb, and

Resolved further that the council, sitting as a trial board, does not in any way condone the issuance of a balance-sheet such as that involved in the case in question, the exoneration being entirely because the preparation of the balance-sheet having been shown to be by the member of the firm, not a member of the American Institute of Accountants, without supplying full information to either Mr. Whitfield or Mr. Whitcomb, these men were not in a situation to be held responsible for the acts of their partner.