

The consequence of a CA's familiarity was dealt with in *Breda v. Breda*, Ontario General Division, April 11, 1997. Ms. Breda's family and Mr. Breda held an interest in a group of real estate development corporations and joint ventures for which the CA prepared financial disclosure for many years. The CA was also the personal accountant for Ms. Breda and her family and acted for other corporate interests of the wife's family. During the divorce proceedings, Ms. Breda retained the CA to act for her in the matrimonial dispute. As the wife's family had always approached the CA with their financial issues in the past, the CA was the natural choice in this situation. He was familiar with not only Ms. Breda's financial history, but also her husband's. The husband argued that the CA should not be allowed to act for Ms. Breda in assisting her with her divorce as this was a conflict of interest. The conflict was a consequence of the reasonable perception of a vested financial interest from continued public accounting fees from the wife and her family. The Court agreed with Mr. Breda and the CA was not permitted to act for the wife in her matrimonial litigation. Had the CA assisted Ms. Breda in her dispute, the same conclusion may have been reached by the Court after all the trial preparations were complete. Ms. Breda would then have been forced to retain another professional, duplicating efforts, time and costs.

In the more recent case of *Poirier v. Poirier*, Ontario Superior Court of Justice, October 21, 2005, the close relationship of a CA and their client led to a decision by the Court that deemed the CA's report biased and unreliable. Mr. Poirier held an interest in a tractor and construction equipment dealership. During divorce proceedings, Ms. Poirier hired an expert to prepare a valuation of her husband's business. The wife's expert arrived at a value of the business based on a multiple of 5.9. In response, Mr. Poirier hired his corporate accountant (with whom he had a long term relationship), to prepare a valuation of the business. The corporate accountant was familiar with the husband's financial issues as he had been a good client for many years. The accountant prepared a draft valuation based on a multiple of 5 which he produced to Mr. Poirier. After a discussion of the draft with the client, the accountant subsequently revised the multiple downwards from 5 to 4. The explanation provided by Mr. Poirier's accountant for a lower multiple than that used by the wife's expert was the existence of significant personal goodwill. As a result of