

THE FACTS SET OUT IN THIS DOCUMENT HAVE BEEN AGREED BETWEEN EXECUTIVE COUNSEL AND THE RESPONDENT. NO FINDINGS HAVE BEEN MADE, NOR SHOULD BE TAKEN TO HAVE BEEN MADE, AGAINST ANY OTHER PERSONS.

IN THE MATTER OF

THE EXECUTIVE COUNSEL TO THE FINANCIAL REPORTING COUNCIL

-and-

PHILIP JOHN JAMES

SETTLEMENT AGREEMENT

1. This Settlement Agreement ("**Agreement**") is made on the 30th day of May 2017 between Gareth Rees QC as the Executive Counsel of the Financial Reporting Council ("**FRC**"), of 8th Floor, 125 London Wall, London, EC2Y 5AS ("**the Executive Counsel**") of the first part, and Mr Phillip James of the second part. The Executive Counsel and Mr James together are described as "**the Parties**".
2. The Agreement is evidenced by the signatures of the Executive Counsel on his own behalf and by Mr James on his own behalf.
3. The Particulars of Fact and Acts of Misconduct against Mr James ("**the Particulars**") as a member of the Association of Chartered Certified Accountants ("**ACCA**") were prepared by the Executive Counsel in accordance with the FRC Accountancy Scheme ("**the Scheme**") and are annexed. The Particulars relate to the conduct of Mr James as a member of the ACCA in his role as Finance Director of Tech Data¹ in relation to the preparation of the financial statements for Tech Data for the financial years ended 31 January 2012 and 31 January 2013.
4. As a member of the ACCA, Mr James admits the Misconduct pleaded in the Particulars.
5. The Parties recognise that the determination to be made in this case is a matter for the person appointed from the Tribunal Panel ("**the Tribunal member**") in accordance with paragraph 8(4)(ii) of the Scheme.
6. The Executive Counsel and Mr James have agreed the following terms of settlement:
 - (a) Exclusion as a member of the ACCA for a recommended period of 10 years; any application for readmission after the specified period shall not necessarily be approved, but shall be considered by the ACCA on its merits;

A Fine of £100,000, reduced to £35,625 taking into account Mr James' financial resources, adjusted for mitigating factors and discounted for settlement. The Fine

¹ Until 4 October 2013, Tech Data was named Computer 2000 Distribution Limited. References to Tech Data also include any predecessor company.

shall be paid not later than 28 days after the date when the Agreement takes effect.

7. In reaching this Agreement with Mr James, the Executive Counsel considered the following stages and took account of the following factors in accordance with the FRC's Sanctions Guidance ("**the Sanctions Guidance**"):

Nature and Seriousness of the Misconduct

- a. The Misconduct could undermine confidence in the standards of conduct in general of Members, and in financial reporting and corporate governance in the United Kingdom and the profession generally;
- b. The Misconduct was dishonest, and involved a failure to act and conduct business with integrity;
- c. The nature, extent and importance of the standards breached;
- d. Mr James caused others to commit Misconduct;
- e. Mr James held a senior position and supervisory responsibilities;
- f. Mr James was not solely responsible for the Misconduct;
- g. The Misconduct calls into question Mr James' competence as a Member;
- h. The duration and frequency of the Misconduct; the Misconduct occurred over an extended period of time;
- i. The Misconduct was covered up/concealed.

Identification of Sanction

Having assessed the seriousness of the Misconduct, the Executive Counsel has determined that Exclusion and a Fine of £100,000 is an appropriate sanction. Executive Counsel has then taken into account any aggravating and mitigating factors that exist (to the extent that they have not already been taken into account in relation to the seriousness of the Misconduct). Having considered those additional factors set out below, Executive Counsel has determined that an adjustment to sanction is appropriate by reducing the Fine by 5%.

Aggravating Factor

No additional aggravating factors

Mitigating Factor

- a. Mr James fully co-operated during the investigation of the Misconduct;
- b. Mr James has a good compliance history and disciplinary record;
- c. Personal mitigating circumstances;

d. Mr James has demonstrated contrition for the Misconduct.

Deterrence

No adjustment for deterrence is required in this case.

Discount for Admissions and Settlement

Having taken into account full admissions by Mr James and the stage at which those admissions were made (in Stage 1 of the case in accordance with paragraph 59 of the Sanctions Guidance), the Executive Counsel determined that a reduction of 25% as to the Fine as a settlement factor is appropriate.

Other Considerations

In accordance with paragraph 32(iii) of the Sanctions Guidance, the Executive Counsel has taken into account the financial resources of Mr James and the effect of the Fine. The amount of the fine has regard to Mr James' financial resources (including his income and assets) and employment prospects. There are no arrangements that would result in part or all of the Fine being paid or indemnified by insurers.

Costs

8. The Executive Counsel and Mr James have agreed the following terms of settlement:

No contribution towards the Executive Counsel's costs of, and incidental to, the investigation

In accordance with paragraph 62 of the Sanctions Guidance, the Executive Counsel has taken into account Mr James' financial position and the impact of the Fine. There are no arrangements that would result in part or all of any award of costs being paid or indemnified by insurers.

9. If the decision of the Tribunal member is to approve the Agreement, including the sanctions set out above, then the Agreement shall take effect from the next working day after the date on which the notice of the decision is sent to Mr James in accordance with paragraph 8(4)(iv) of the Scheme.

10. The Agreement and annex will remain confidential until publication in accordance with paragraph 8(6) of the Scheme.

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...26 May 2017.....

Gareth Rees QC

Date

Executive Counsel


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Philip John James


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Date