



CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017

TO: John M. Rosenthal, CPA, CA

AND TO: The Discipline Committee of CPA Ontario

The Professional Conduct Committee of CPA Ontario hereby makes the following Allegations of professional misconduct against John M. Rosenthal, CPA, CA, a member of CPA Ontario:

1. THAT the said John M. Rosenthal, in or about the period December 1, 2014 through June 30, 2023, while engaged in the practice of public accounting with RZN LLP (RZN), failed to conduct himself in a manner which will maintain the good reputation of the profession and serve the public interest, contrary to Rule 201.1 of the CPA Ontario Rules of Professional Conduct (Rules) and Code of Professional Conduct (Code), in that:
 - a. He offered investment and lending services through RZN to the public;
 - b. He converted funds, intended for investment purposes, to his personal use;
 - c. He failed to repay a \$500,000 promissory note when that note became due and payable; and
 - d. He required the withdrawal of a complaint to CPA Ontario as a pre-condition to repayment of a promissory note.

2. THAT the said John M. Rosenthal, in or about the period December 1, 2014 through June 30, 2023, while engaged in the practice of public accounting with RZN, in handling the property of EDB, EVB and/or DB, provided for the purpose of investment ("the Investors"), failed to document and administer the funds in accordance with Rule 212.1 of the Rules and the Code in that:
 - a. He directed the comingling of the Investors' funds with RZN's general accounts;
 - b. He directed the comingling of designated trust funds with RZN's general accounts;
 - c. He used Investors' funds to make loans to third parties without the Investors' knowledge or approval;
 - d. He used Investors' funds to pay off RZN's facility loan and cover his RZN partnership withdrawals; and



- e. He failed to document and retain appropriate records of the Investors' six promissory notes.

3. THAT the said John M. Rosenthal, in or about the period December 1, 2014 through June 30, 2023, while engaged in the practice of public accounting with RZN, failed to take reasonable steps to retain records or other documentation which reasonably evidenced the nature and extent of the work done in respect of any professional service, in that he failed to retain documents related to six promissory notes valued at over \$850,000, including \$500,000 issued in trust to RZN, contrary to Rule 218 of the Rules and the Code.

Dated at Mississauga, Ontario this __11th__ day of September 2023.

Narain Naray

N.M. Naray, CPA, CA – DEPUTY CHAIR
PROFESSIONAL CONDUCT COMMITTEE