

CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO  
*CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO ACT, 2017*

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** An Allegation against **MIHAJLO (MIKE) KANGRGA, CPA, CA**, a member of the Chartered Professional Accountants of Ontario, under **Rule 104.2** of the CPA Ontario Code of Professional Conduct

**BETWEEN:**

**Chartered Professional Accountants of Ontario  
Professional Conduct Committee**

**-and-**

**Mihajlo (Mike) Kangrga**

**APPEARANCES:**

**For the Professional Conduct Committee:** Kelvin Kucey, Counsel

**For Mihajlo (Mike) Kangrga:** Not Present

**Heard:** September 20, 2023

**Decision and Order effective:** September 20, 2023

**Release of written reasons:** October 19, 2023

**REASONS FOR THE DECISION AND ORDER MADE SEPTEMBER 20, 2023**

**I. OVERVIEW**

- [1] Mihajlo Kangrga (“the Member”) failed to cooperate with his governing body with respect to one investigation. On June 11, 2022, the Standards Enforcement department (“SE”) of the Chartered Professional Accountants of Ontario (“CPA Ontario”) received a complaint against the Member. An investigation was instructed and multiple attempts to communicate with the Member were made. The Member failed to respond substantively to SE staff’s requests for information in relation to this complaint. As a result, staff were unable to investigate the complaint.
- [2] The evidence in support of the Allegation was tendered in the form of the redacted Affidavit of Alberta Tam, affirmed September 11, 2023, and marked Exhibit 1.

## II. THE COMPLAINT AND THE ALLEGATIONS

- [3] The Professional Conduct Committee (“PCC”) of CPA Ontario has made the following Allegation against the Member:

1. THAT the said Mihajlo (Mike) Kangrga, in or about the period of November 18, 2022 to May 26, 2023 failed to cooperate with the regulatory process of CPA Ontario, contrary to Rule 104.2 of the CPA Code of Professional Conduct, in that he failed to promptly reply in writing to communications from CPA Ontario to which a written reply was expressly required, in correspondence from Alberta Tam, CPA, CA, JD., Standards Enforcement (SE) Officer, dated October 21 and November 21, 2022, March 2, March 24 and April 5, 2023 and in follow up communications of November 14, 2022 from Manomi De Silva, SE Coordinator, and of April 4 and April 13, 2023 from Jennifer Taylor, SE Coordinator.

## III. PRELIMINARY ISSUES

- [4] There were two preliminary issues the Panel was required to address:

1. The Member’s failure to attend at his hearing; and
2. The request of counsel for the PCC to file as evidence Directions issued by the member of the adjudicative committee chairing the Pre-Hearing Conference (“PHC”) in this matter.

### 1. *The Member’s Failure to Attend at His Hearing*

- [5] The hearing commenced via videoconference at 9:30 a.m. The Member logged in to the hearing whilst in his car, via cell phone. The Member explained he was on his way to his office, having just dropped his children off at school.
- [6] The video connection to the cell phone was not stable and at times the Panel was unable to see or hear the Member. The Panel was assisted by an Information Technology (IT) professional employed by CPA Ontario. The IT professional suggested that if the Member participated audio only via telephone rather than video, the connection would be more stable.
- [7] Rule 15.01(4) of the *Rules of Practice and Procedure* stipulates that an electronic hearing shall not proceed unless the Panel is satisfied that the parties and the Panel are each able to hear and see one another throughout the hearing. While the Panel has the discretion to order that the hearing proceed even if one of the parties cannot be seen, the Panel was loath to make such an order if it was otherwise avoidable.
- [8] The Panel asked the Member how long it would take him to reach his office. The Member said it would take 45 minutes. The Panel asked counsel for the PCC how long the hearing would take. Counsel informed the Panel he did not anticipate the hearing would take longer

than 35 minutes. In light of this, and with the consent of both parties, the Panel decided to adjourn the hearing until 10:30 a.m. and commence proceedings when the Member was in his office with access to a computer, so that he could join the hearing via video and see and be seen. It should be noted that at this juncture the Member did not ask the Panel to hold the hearing down to a later time to ensure his participation.

- [9] The hearing resumed at 10:30 a.m. The Member did not join, nor did he communicate with the Tribunals Office to explain his absence. The Panel, anticipating that it may have taken longer than 45 minutes for the Member to reach his office, further held the matter down until 11:00 a.m. In the meantime, at the Panel's request, the Tribunals Office sent two emails to the Member re-sending the hearing videoconference link and requesting a status update. By 11:17 a.m., the Tribunals Office had not heard from the Member.
- [10] The hearing resumed at 11:21 a.m. The Member did not appear. The Panel suggested they would hold the matter down for one hour to give the Member a final chance to participate. Counsel for the PCC was not opposed to proceeding in this manner. The Panel ruled that the matter would be further held down until 12:30 p.m. At the request of the Panel, the Tribunals Office sent an email to the Member informing him that the hearing would proceed at 12:30 p.m. with or without his participation. This communication was sent to the Member at 11:27 a.m.
- [11] The Member responded to the Tribunals Office 11:27 a.m. email at 12:09 p.m. with the following communication:

Dear Participants,

My apologies for delay, traffic was very bad coming to our Markham location by Woodbine-Hwy 7. Once hear (sic) after 11 am, a very important client of the firm was at a location for a meeting, where I was needed to attend, in fact they are still here. Considering this unexpected development and the fact that I have quite a few files I am working on, is it possible to reschedule? Recall, I was prepared at 9:30 earlier but connectivity issues delayed things.

Regards,

Mihajlo / Mike

- [12] At the request of the Panel, the Tribunals Office responded to the Member informing him that if he wished to request an adjournment of his matter, he would have to attend via videoconference and make the request orally. In this communication and at the Panel's request, the Tribunals Office cautioned the Member that adjournments are only granted in exceptional circumstances.
- [13] The hearing commenced at 12:45 pm. The Member did not attend.
- [14] In light of the Member's initial attendance and subsequent communications, the PCC was not required to file proof of service. The Panel is satisfied the Member was aware of the

proceedings and made a conscious decision not to attend.

- [15] In considering the Member's adjournment request, the Panel reviewed Rule 14(2) of the *Rules of Practice and Procedure*. There are ten factors listed that the Panel ought to take into account when considering an adjournment request brought on the date of the hearing. The three most relevant factors are: the timing of the request, the public interest and the efforts made to avoid the adjournment.
- [16] It is not in the public interest to grant an adjournment of a hearing on a failure to cooperate matter, absent exceptional circumstances. As of the date of hearing, the Member had not cooperated with the Standard Enforcement department's requests for information. When members fail to cooperate, the public is at risk in two respects: First, CPA Ontario cannot complete its investigation. Second, members who fail to cooperate are demonstrating they are unwilling to abide by the requirements and strictures of their governing body. The public is at risk when members who flaunt the rules established by their governing body continue to practice. It is essential that these types of hearings proceed without delay and that members are prohibited from serving the public in their capacity as a CPA until such time as they cooperate with their regulator.
- [17] The Panel was not prepared to grant the Member's adjournment request. It was obvious to the Panel that the Member did not view this hearing as a priority. The Member has known about the date of this hearing since August 3, 2023. The Member ought to have made alternate arrangements for the transportation of his children to school on the day of the hearing. If the Member was unable to make alternate arrangements, he could have contacted the PCC and the Tribunals Office in advance of the hearing, explained his predicament, and requested a later start time. The Panel is confident that such a request would have been accommodated.
- [18] The Panel afforded the Member every opportunity to participate in his hearing. When the Panel finally commenced the hearing at 12:45 p.m., over three hours after the original start-time, the Member had made a decision to prioritize some "important clients" over attending his discipline hearing.
- [19] The Member is free to make his own decisions. The consequence of the decision he made is that the hearing proceeded in his absence.

## **2. *The Request to File the Directions Issued by the PHC Chair***

- [20] On August 3, 2023, a PHC was held via videoconference. Both parties attended.
- [21] Once the hearing commenced, counsel for the PCC sought to adduce the Directions issued by the member of the adjudicative committee chairing the PHC into evidence. The Directions directed the Member to comply with Tam's requests for information prior to the scheduled hearing and also covered matters relating to deadlines for the exchange of materials. The Member did not abide by these Directions.
- [22] The PCC had initially included the Directions as an exhibit to the Affidavit of Alberta Tam.

Counsel for the PCC submitted the Directions were relevant to both finding and sanction. When asked why the Directions were relevant to finding, counsel for the PCC submitted that the Directions in combination with information in the Affidavit of Alberta Tam demonstrate the Member's ongoing failure to respond appropriately to his governing body.

- [23] Rule 12.09(1) of the *Rules of Practice and Procedure* states that pre-hearing conferences are held on a without prejudice basis and that all discussions held at a pre-hearing conference are confidential. However, Rule 12.09(2) permits the disclosure of the Directions arising from a pre-hearing conference to the Panel on the motion of a party or on the Panel's own initiative.
- [24] The Panel can anticipate circumstances where the Directions from a pre-hearing conference might be relevant to a proceeding. For example, the Directions might be relevant to proof of service issues or to sanction. In this case, the Panel was not persuaded that the Directions arising from the PHC in this matter were relevant on the issue of finding.
- [25] In considering this request, the Panel reviewed the Allegation and noted that the Member's failure to cooperate is clearly set out as occurring between November 18, 2022 and May 26, 2023. It is unclear how evidence of continued non-cooperation after May 26, 2023 could be relevant to finding. Moreover, it is unfair to the Member to adduce evidence of misconduct not set out in the Allegation. In addition, the evidence sought to be adduced casts the Member in a bad light and could be prejudicial to him if considered.
- [26] The Panel would have entertained the possibility that the PHC Directions were relevant to sanction. Counsel for the PCC did not, however, revive his request during the sanction portion of the hearing.
- [27] The Panel dismissed the motion to file the Directions of the PHC chair. Having read the Directions, the Panel disabused itself of any information contained therein in its determination of whether the PCC had proved the Allegation on a balance of probabilities.
- [28] In light of the Panel's ruling, the Affidavit of Alberta Tam, marked as Exhibit 1 was redacted to remove paragraphs 27 and 28 as well as Exhibit M.

#### **IV. ISSUES**

- [29] The Panel identified the following issues arising from the Allegation:
  - A. Did the evidence establish, on a balance of probabilities, the facts on which the Allegation by the PCC was based?
  - B. If the facts alleged by the PCC were established on the evidence on a balance of probabilities, did the Allegation constitute professional misconduct?
  - C. If the answer to B is yes, what is the appropriate sanction?

## V. DECISION

- [30] The Panel found that the evidence established, on a balance of probabilities, the facts set out in the Allegation of professional misconduct.
- [31] The Panel was satisfied that the Allegation constituted a breach of Rule 104.2 of the CPA Ontario Code of Professional Conduct, and, having breached this Rule, the Member committed professional misconduct.

## VI. REASONS FOR THE DECISION ON MISCONDUCT

### *Findings Regarding the Conduct of Mr. Kangrga*

- [32] On June 11, 2022, CPA Ontario received an external complaint asserting that the Member was engaging in the practice of public accounting without benefit of firm registration or a Public Accounting License ("PAL"). According to the complainant, the Member had been improperly holding himself out as a Licensed Public Accountant ("LPA") for 20 years.
- [33] Over a period of more than six months, the Member received eight communications from SE staff. The communications were sent to the Member's email address and phone number on record with CPA Ontario. The Member provided a substantive response to one of these communications, but failed to provide information and representations requested in follow up communications.
- [34] The chart below sets out the dates, format and content of the communications:

DATE	FORMAT OF COMMUNICATION	CONTENT	MEMBER'S RESPONSE
October 21, 2022	Email from Alberta Tam to Member	Tam enclosed the complaint and requested a written reply on or before November 11, 2022.	No response
November 14, 2022	Phone call from Manomi De Silva to Member	De Silva spoke with the Member and informed him that the deadline for a response had expired. The Member promised to provide written representations by November 18, 2023.	The Member failed to provide a written response by November 18, 2023 as promised.
November 21, 2022	Email from Alberta Tam to Member	Tam requested a response to her October 21, 2022 correspondence by November 28, 2022, and specifically cited Rule 104 of the Code of Professional Conduct.	On November 29, 2022, the Member wrote to Tam and stated that because he had once been a Licensed Public Accountant, and CPA Ontario never asked him to renew his PAL, he

DATE	FORMAT OF COMMUNICATION	CONTENT	MEMBER'S RESPONSE
			believed his earlier license was still valid.
March 2, 2023	Email from Alberta Tam to Member	Tam sent a detailed list of questions requiring specific responses from the Member. She asked for a response on or before March 23, 2023.	No response
March 24, 2023	Email from Alberta Tam to Member	Tam reminded the Member that he had not responded to her March 2, 2023 correspondence, enclosed the correspondence, requested a response by March 31, 2023 and reminded him of his duty to cooperate pursuant to Rule 104 of the Code of Professional Conduct.	No Response
April 4, 2023	Phone call from Jennifer Taylor to Member	Taylor left a voicemail message for the Member.	No Response
April 5, 2023	Email from Alberta Tam to Member	Tam enclosed her previous correspondence and requested a response on or before April 12, 2023.	No Response
April 13, 2023	Phone call from Jennifer Taylor to Member	Taylor left a voicemail message for the Member.	No Response
May 29, 2023	The Member was personally served with the Allegation of failure to cooperate	N/A	The Member did not contact Tam or any S E staff.

[35] As of the date of the hearing, the Member had not responded substantively to the questions set out in Tam's correspondence of March 2, 2023.

#### *Finding of Professional Misconduct*

[36] Rule 104.2 of the CPA Ontario Code of Professional Conduct requires members to cooperate with the regulatory processes of CPA Ontario. For ease of reference Rule 104 is set out in relevant part below:

104.2 A member or firm shall:

- (a) promptly reply in writing to any communication from CPA Ontario in which a written reply is specifically required;
- (b) promptly produce documents when required to do so by CPA Ontario;

[37] There is no question that the Member breached Rule 104.2. While the Panel appreciates that the Member provided a written explanation of sorts on November 29, 2022, that was not the end of the matter. The Member had a positive obligation to respond to Tam's further inquiries, an obligation he abjectly failed to meet. The Panel had no trouble finding that the Member committed professional misconduct in the manner alleged.

## VII. DECISION AS TO SANCTION

[38] The Panel imposed the following Order on sanction and costs:

1. Mihajlo Kangrga shall pay a fine of \$5,000 to CPA Ontario by November 20, 2023;
2. Mihajlo Kangrga shall be reprimanded in writing by the Chair of the hearing;
3. Mihajlo Kangrga shall cooperate with the Regulatory Process of CPA Ontario by fully responding to the correspondence of CPA Ontario, dated October 21, and November 21, 2022, March 2, 24 and April 5, 2023, on or before October 2, 2023;
4. Notice of this Decision and Order, disclosing Mihajlo Kangrga's name, is to be given in the form and manner determined by the Discipline Committee:
  - (a) to all members of CPA Ontario;
  - (b) to all provincial bodies;

and shall be made available to the public;

5. In the event that Mihajlo Kangrga fails to comply with the terms of this Order his membership in CPA Ontario shall be suspended until such time as he does comply, provided that he complies within 30 days from the date of this suspension. In the event he does not comply within the 30-day period, his membership in CPA Ontario shall be revoked, and notice of the revocation, disclosing his name, shall be given in the manner specified above, and published in the *Globe and Mail* newspaper. All costs associated with this publication shall be borne by Mihajlo Kangrga, within 30 days of being invoiced for the publication, and shall be in addition to any other costs ordered by the Panel.

AND THAT:

6. Mihajlo Kangrga shall pay costs of \$4,300 to CPA Ontario by November 20, 2023.



## VIII. REASONS FOR THE DECISION AS TO SANCTION

- [39] As the Member did not attend his hearing, the Panel did not have the benefit of any evidence in mitigation on sanction from the Member. The PCC did not file evidence on sanction. The Panel, however, relied on the fact that as of the date of hearing, the Member had not responded substantively to SE staff's requests for information. This evidence is contained in Exhibit 1.
- [40] The Panel had no trouble accepting the PCC's submission on sanction. The penalty proposed is the standard penalty requested when a member has failed to cooperate with CPA Ontario and has not remedied that failure prior to the hearing.
- [41] The underlying complaint pertains to a significant matter. If the Member has indeed been practicing as a LPA for 20 years without a PAL, he is in serious breach of the rules and regulations of his governing body. If the allegation were proved, the public would be at significant risk of harm. The Member's failure to respond to CPA Ontario has prevented CPA Ontario from investigating this allegation.
- [42] Moreover, staff repeatedly telephoned and emailed the Member with no results. The Member simply stuck his head in the sand and ignored his governing body.
- [43] The Member's conduct at his hearing further demonstrated his potent disrespect for his governing body. The Member prioritized taking his children to school and meeting with an "important client" over what should have been the most important day of his career – his discipline hearing. Moreover, it was discourteous in the extreme to keep the Panel, Tribunals Office staff and the opposing party waiting with no communication. To cap it off, the Member had the gall to seek an adjournment in writing rather than joining the hearing and seeking an adjournment in person via videoconference. The Member's approach to his hearing causes the Panel grave concern about his ability to be governed.
- [44] Under most circumstances, a Panel ought not to take a member's attitude at his hearing into account on sanction; the conduct being sanctioned is the conduct that fits squarely within the four corners of the Allegation. It would be unfair to a member to increase a sanction as a consequence of their attitude at their hearing. The exception to this is when a member's attitude at their hearing reflects a continuing disregard of their professional obligations, thus aggravating the misconduct.<sup>1</sup>
- [45] Although the Panel was dismayed and disappointed by the Member's continuing display of disrespect for his governing body, we did not impose a more severe sanction than would typically be imposed for the misconduct committed.
- [46] We hope, however, that if the Member decides to cooperate with CPA Ontario, he will read these reasons and understand if he wishes to continue in his chosen career, there is a critical need for a change in attitude toward his governing body.

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<sup>1</sup> [1978 CanLII 1294 \(ON CA\) | Re Milstein and Ontario College of Pharmacy et al. | CanLII](#) also see: [2005 ONLSAP 4 \(CanLII\) | Law Society of Upper Canada v. Libero C. Paci | CanLII](#) ¶ 42

## IX. COSTS

- [47] The law is settled that an order against a member for costs with respect to the disciplinary proceeding is not a penalty. Costs are intended to indemnify the PCC, based on the underlying principle that the profession should not bear all of the costs of the investigation, prosecution and hearing arising from a member's misconduct.
- [48] Costs are awarded at the discretion of the Discipline Committee. It has become customary for the PCC to file a Costs Outline in the same form as used in civil proceedings, and to seek 2/3 of the costs incurred in the investigation and prosecution of the matter.
- [49] In this matter, the PCC filed a Costs Outline. Legal fees and disbursements, including the cost of the investigation, amounted to \$6,526.33. Counsel for the PCC requested a costs order in the amount of \$4,307.57 to be paid on or before November 20, 2023. This is an ordinary costs award which the Panel is prepared to order.
- [50] The Committee orders the Member to pay costs of \$4,307.57 to CPA Ontario on or before November 20, 2023.

**DATED** this 19<sup>th</sup> day of October, 2023



David Handley  
Discipline Committee – Deputy Chair

Members of the Panel

Ian Wollach, CPA, CA  
Vincci So, CPA, CMA  
Marianne Park-Ruffin, Public Representative

Independent Legal Counsel

Lisa Freeman, Barrister & Solicitor