

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

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** Allegations against **AMIT MISTRY, CPA, CMA**, under **Rules 101.1(b)(i), 104.2, 202.1, 205, and 218** of the CPA Code of Professional Conduct.  
**BETWEEN:**

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

**-and-**

**Amit Mistry**

**APPEARANCES:**

<b>For the Professional Conduct Committee:</b>	Jonathan Smith, Counsel
<b>For Amit Mistry:</b>	Present (March 31, 2025) Not Present and Not Represented (April 1, 2025)
Heard:	March 31 and April 1, 2025
Decision and Order effective:	April 1, 2025
Release of written reasons:	May 12, 2025

**REASONS FOR THE DECISION AND ORDER MADE APRIL 1, 2025**

**I. OVERVIEW**

- [1] The Professional Conduct Committee (“PCC”) of the Chartered Professional Accountants of Ontario (“CPA Ontario”) made seven Allegations against Amit Mistry (“the Member”) in relation to his work as an accountant for RM and RSG. The PCC alleged that the Member signed or associated himself with statements he knew or should have known were false or misleading contrary to Rule 205 of the CPA Ontario Code of Professional Conduct (“the Code”); failed to perform his professional duties with integrity and due care contrary to Rule 202.1 of the Code; failed to comply with CPA Ontario’s By-Law and Regulations contrary to Rule 101.1(b)(i) of the Code; failed to retain records of professional services provided by his firm contrary to Rule 218 of the Code; and failed to cooperate with the regulatory process of CPA Ontario, contrary to Rule 104.2 of the Code.
- [2] The Member became a Certified Management Accountant (“CMA”) in 2009, and was

admitted to CPA Ontario through the CMA Ontario Legacy Program in 2014. At the time of the hearing, he was administratively suspended.

- [3] The Member worked in a variety of accounting roles, and established his own accounting practice which focused on providing income tax services to individuals and corporations.
- [4] In 2017, the Member began working with RM, a cannabis company that intended to provide the Canadian market with Jamaican cannabis. RSG was to provide marketing on behalf of RM.

### *The Complaint and the Allegations*

- [5] The complaint to CPA Ontario was made by NB and LB, who were investors in RM. The complaint was that the Member was held out as the CFO, controller and director of finance for RM, and in that role withheld relevant information from investors, provided misleading information, and failed to provide credible explanations for questionable payments made by RM, enabling gross misconduct by the majority shareholder of RM.
- [6] An investigator was appointed in March 2024 to investigate the complaint against the Member.
- [7] Following completion of the investigation, on July 23, 2024 the PCC alleged that the Member:
  - (1) From January 1, 2018 through November 30, 2023 while engaged as the accountant for RM, signed or associated with letters, reports, statements or representations that he knew, or should have known, were false or misleading, in that he and RM held himself out as the CFO, controller and director of finance of RM to potential investors and third parties when he did not hold these positions, contrary to Rule 205 of the Code.
  - (2) From November 1, 2018 through November 30, 2019, while engaged as the accountant for RSG, signed a statement or representation that he knew, or should have known, was false or misleading, in that he declared himself to be a director or officer of RSG when he was not, while filing Articles of Amendment, pursuant to the *Canada Business Corporations Act*, contrary to Rule 205 of the Code.
  - (3) From January 1, 2018 through November 19, 2023, while engaged as the accountant for RM, failed to perform his professional duties with integrity and due care contrary to Rule 202.1 of the Code, in that:
    - (a) He accounted for a payment of \$227,130 to “JEP” as a marketing expense in the books and records of RM although no services were rendered by JEP and the associated invoice was not issued to RM;
    - (b) He applied for the Input Tax Credit (“ITC”) on the 4<sup>th</sup> quarter 2018 GST/HST return of RM associated with a \$227,130 payment to JEP when RM was ineligible;
    - (c) He disclosed approximately \$132,000 of payments to his firm for professional services in the financial statements of RM when claiming receipt of

approximately \$47,000 in his firm's accounting records for those services;

(d) He included \$50,000 in revenue in RM's fiscal 2021 financial statements and corporate income tax return filings, when RM did not earn revenue; and

(e) He identified former shareholders of RM as active shareholders on RM's 2022 corporate income tax return.

(4) From November 1, 2018 through October 31, 2019, while engaged as the accountant for RSG, failed to perform his professional duties with due care, in that he applied for the ITC associated with a \$227,130 payment to JEP when RSG was ineligible, contrary to Rule 202.1 of the Code.

(5) From February 1, 2024 to June 12, 2024, failed to comply with CPA Ontario's General By-Law and Regulations 7-1, 10-1, and 14-1, contrary to Rule 101.1(b)(i) of the Code, in that:

(a) He performed professional services through his firm without holding the requisite professional liability insurance; and

(b) He failed to provide CPA Ontario with accurate information as to his current employment, his lapsed insurance and the nature of the professional services provided by his firm.

(6) From January 1, 2018 through June 12, 2024, 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 did not keep complete and accurate records of professional services provided by his firm, contrary to Rule 218 of the Code.

(7) From March 20, 2024 through June 12, 2024, failed to cooperate with the regulatory process of CPA Ontario, contrary to Rule 104.2 of the Code, in that he failed to provide documents or other information when requested to do so by the PCC through its investigator.

[8] The onus was on the PCC to show on a balance of probabilities that the Member's conduct breached Rules 101.1(b)(i) 104.2, 202.1, 205, and 218 of the Code and constituted professional misconduct.

### *The Outcome of the Hearing*

[9] The hearing took place on March 31 and April 1, 2025. The Member was present and self-represented during the first day of the hearing. At the outset of the hearing, he admitted the facts underlying the allegations but denied that they amounted to professional misconduct. The PCC called evidence from Patricia Harris ("Harris"), the investigator assigned to the matter. The Member declined to cross-examine her, and declined to make submissions on the issue of conduct.

[10] The Member was not present on the second date. As the Panel was satisfied that the Member had notice of the continuation of the hearing, it determined that the hearing would proceed in his absence. The Panel delivered its finding that, on a balance of probabilities,

the Allegations were established and constituted professional misconduct.

- [11] The Panel received submissions from the PCC on sanctions, and after deliberation, ordered that the Member's membership be revoked, that he be fined \$20,000, and that the Decision and Order be published, including in the *Globe and Mail* newspaper.

## **II. PRELIMINARY ISSUES**

- [12] The PCC brought a motion to disclose directions arising from the pre-hearing conferences involving the Member and related correspondence, pursuant to Rule 12.09(2) of the *Rules of Practice and Procedure*. Rule 12.09(1) provides that all pre-hearing conferences are held on a without prejudice basis, and all discussions conducted during the pre-hearing conference are confidential and are not to be disclosed to the Panel presiding at the hearing except with the consent of the parties. Rule 12.09(2) provides that notwithstanding subrule (1), directions arising from the pre-hearing conference may be disclosed to the Panel on a motion of a party, or on the Panel's own initiative.
- [13] The PCC submitted that the materials sought to be admitted demonstrated a continuing pattern of conduct by the Member in the regulatory process and were relevant to possible justifications for his earlier conduct, in considering the merits of the Allegation of non-cooperation.
- [14] The PCC submitted that in the alternative, the materials sought to be admitted were relevant to the sanctions stage, if professional misconduct was proven.
- [15] The Member provided sworn evidence in relation to the motion. He identified challenging events in his life which had made it difficult for him to cooperate with the investigation. He testified that he was not coping well, and that he had not prioritized cooperation with the investigation over the challenges he was facing. Under cross-examination, the Member agreed that he had been advised more than once that he needed to prioritize the investigation, and that he had advised the PCC in January 2025 that he would be in a better position to respond to the PCC's requests at that time.
- [16] The Member opposed the PCC's motion on the basis that it would be prejudicial to him.
- [17] The Panel granted the PCC's motion and admitted the PHC directions and related correspondence into evidence (Exhibit 1). The motion materials included evidence that subsequent to the timeframe of the Allegations, the Member repeatedly failed to comply with deadlines, including the deadline for providing information to the PCC respecting the conflict-of-interest avoidance form, the deadline for providing the evidence he intended to rely upon at the hearing, the deadline for providing the documents requested by the investigator during the investigation, and the deadline for providing his Pre-Hearing Conference Memorandum. The Panel held that the documents sought to be admitted by the PCC were relevant to the Allegation of failure to cooperate given the explanations provided by the Member for failing to cooperate with the regulatory process.

## **III. ISSUES**

- [18] The Panel identified the following issues arising from the Allegations:

- A. Did the evidence establish, on a balance of probabilities, the facts on which the Allegations by the PCC were based?
- B. If these facts were established on the evidence on a balance of probabilities, did the facts as alleged constitute professional misconduct?

#### **IV. DECISION**

- [19] The Panel found that the evidence established, on a balance of probabilities, the facts on which the Allegations by the PCC were based.
- [20] The Panel was satisfied that the facts alleged constituted a breach of Rules 101.1(b)(i) 104.2, 202.1, 205, and 218 of the Code, and having breached these Rules, the Member had committed professional misconduct.

#### **V. REASONS FOR THE DECISION ON MISCONDUCT**

*Allegation 1: While engaged as the accountant for RM, the Member signed or associated with letters, reports, statements or representations that he knew, or should have known, were false or misleading, in that he and RM held himself out as the CFO, controller and director of finance of RM to potential investors and third parties when he did not hold these positions, contrary to Rule 205 of the Code*

- [21] Harris testified that the Member became involved in RM when the CEO of RM, who was a personal tax client of the Member, asked him to join RM in an accounting capacity. She testified that RM was set up to cultivate and import cannabis into Canada from Jamaica. RM had established a partnership with the College of Agriculture in Jamaica to grow the cannabis, which would then be imported into Canada.
- [22] Harris testified that through her investigation, the Member had advised her that he had an agreement with the CEO of RM that he would provide outsourced accounting services, including bookkeeping and tax responsibilities. The Member did not produce the agreement notwithstanding Harris' requests.
- [23] Harris testified that RM told her that he never acted as the CFO, controller or director of finance for RM. However, the documentary evidence provided to potential investors in RM identifies the Member as holding these roles.
- [24] Exhibit 2 is the PCC's Book of Documents, which was admitted on consent. Tab 10 of Exhibit 2 is a financial forecast for RM prepared by the Member. In the forecast, the Member is listed as the Controller/CFO with a salary of \$250,000. Harris testified that this document was created to solicit investors to RM.
- [25] Tab 12 of Exhibit 2 contains notes for a presentation to the College of Agriculture in Jamaica, and identifies the Member as the "Director of Administration and Finance" for RM.
- [26] Tab 16 of Exhibit 2 is an email from the CEO of RM, on which the complainants were copied, which identified the Member as "CFO/Controller" of RM.
- [27] In communications between the Member and a potential investor ("FC"), the Member was referenced by the potential investors as the CFO, and the Member did not correct FC (Tab

18 of Exhibit 2). In other correspondence between the RM and FC, FC makes reference to compensation for RM executives, and questions why the Member's salary had been doubled to \$250,000. In response the Member did not advise FC that he was not an executive of RM, but advised FC that the listing of his salary as \$250,000 was incorrect (Tab 19 of Exhibit 2).

- [28] Harris testified that RM retained a lawyer to produce a due diligence report for potential investors, and the Member was the source of the information for that report. In the "Corporate Due Diligence Report" (Tab 21 of Exhibit 2) the Member is identified as "the Chief Financial Officer (CFO) and Controller" of RM. He is also identified as a "Founder" of RM holding 5 million Class A shares.
- [29] Harris testified that the Member told her that he never held shares in RM, although he had been promised shares at some point. She testified that he told her he was not the CFO, and that RM did not have a CFO. Harris testified that the Member denied having been introduced as the CFO for RM, and that he did not remember the due diligence document which listed him as the CFO, even though he had received that document by email. Harris testified that the Member said he believes the reason he was listed as CFO when he was not actually CFO was "for appearances"; it was done "for optics" for investors.
- [30] Based on this unchallenged evidence, the Panel found that the Member had associated himself with statements and representations which he knew or should have known were false and misleading. The emails, financial forecast, presentation notes and due diligence report all identified the Member as the CFO and/or controller of RM. The Member either was involved in the creation, or was in receipt, of all of these documents, so he had to have been aware of them. He acknowledged that they were false. He did not advise the recipients of these materials that they were false. Based on the Member's admissions during the investigation, the Panel found that these representations were intended to mislead potential investors into believing that the Member, a CPA, was playing a greater role in RM than was actually the case. The Panel found that the facts on which the Allegation was based were established on a balance of probabilities, that the Member violated Rule 205 of the Code, and that this constituted professional misconduct.

*Allegation 2: While engaged as the accountant for RSG, the Member signed a statement or representation that he knew, or should have known, was false or misleading, in that he declared himself to be a director or officer of RSG when he was not, while filing Articles of Amendment, pursuant to the Canada Business Corporations Act, contrary to Rule 205 of the Code*

- [31] Harris testified that the Member told her that RSG was set up as a separate corporation to provide marketing on behalf of RM. Harris testified that based on her investigation, the Member was never an officer or director of RSG. However, in Form 4, the Articles of Amendment to change the name of RSG (Exhibit 2, Tab 23), the Member certified that he was "a director or an officer of the corporation." Harris testified that in his interview, the Member acknowledged that he was not a director or officer of RSG and that the filing was therefore incorrect.
- [32] Based on this evidence the Panel found that the facts on which the Allegation was based

were established on a balance of probabilities, and that the Member violated Rule 205 of the Code, constituting professional misconduct.

*Allegation 3: While engaged as the accountant for RM the Member failed to perform his professional duties with integrity and due care contrary to Rule 202.1 of the Code, in that:*

3A: He accounted for a payment of \$227,130 to JEP as a marketing expense in the books and records of RM although no services were rendered by JEP and the associated invoice was not issued to RM

- [33] Harris testified that the Member told her that JEP was a promotional agency that represented musical artists, one of whom was to be a spokesperson for RM in North America. There was a signed but undated consulting agreement between JEP and RM for promotional services, which indicated that remuneration would be based on a percentage of sales (Exhibit 2, Tab 24).
- [34] JEP provided RSG with an invoice dated November 5, 2018 in the amount of \$201,000 plus HST of \$26,130, for a total of \$227,130 (Exhibit 2, Tab 25). Harris testified that in his interview, the Member could not explain why the invoice was made out to RSG rather than RM.
- [35] On November 7, 2018, a wire payment was made by RM to JEP in the amount of \$227,130 (Exhibit 2, Tab 26). The general ledger for RM shows payment from RM to JEP of \$227,130 on November 7, 2018 and that the \$201,000 is recorded as an advertising expense (Exhibit 2, Tab 29). Harris testified that the Member confirmed he created the general ledger for RM.
- [36] Harris testified that the Member told her that no services were actually performed by JEP, but that no steps were taken to recover the funds advanced to JEP.

3B: He applied for the ITC on the 4th quarter 2018 GST/HST return of RM associated with a \$227,130 payment to JEP when RM was ineligible

- [37] The 2018 GST/HST return filed by RM claimed \$42,354.79 for the ITC, as set out in Tab 27 of Exhibit 2. Harris testified that the Member told her that he filed the GST/HST returns for RM, and that the ITC claimed included the \$26,130 paid to JEP. The Member told Harris that the ITC was denied by the Canada Revenue Agency ("CRA") because the invoice was issued by JEP to RSG rather than to RM (Exhibit 2, Tab 28).

3C: He disclosed approximately \$132,000 of payments to his firm for professional services in the financial statements of RM when claiming receipt of approximately \$47,000 in his firm's accounting records for those services

- [38] Harris testified that based on the RM general ledger for the year 2000, the Member's firm received approximately \$132,000 in payments from RM for professional services (Exhibit 2, Tab 30), but that the Member reported income of approximately \$47,000 for those



services. Harris testified that the Member was not able to reconcile this conflicting information, and that he told her that RM's general ledger was not accurate, as it was "a mess."

3D: He included \$50,000 in revenue in RM's fiscal 2021 financial statements and corporate income tax return filings, when RM did not earn revenue

- [39] The financial statements for RM for the year ended July 31, 2021 shows revenue of \$50,000 (Exhibit 2, Tab 32). Harris testified that the Member was unable to provide any support for this revenue, and that the explanations he initially proposed for the revenue did not relate to transactions that could properly produce revenue. Harris testified that the Member eventually acknowledged that there was no revenue for RM in 2021.

3E: He identified former shareholders of RM as active shareholders on RM's 2022 corporate income tax return

- [40] Harris testified that the complainants' company gave up its shares in RM in March 2021. However, Schedule 50 to RM's T2 for 2022 lists that company as holding 18.2% of RM's common shares. Harris testified that the Member prepared the T2 tax filing for RM which included this incorrect information.
- [41] Considering the five particulars of Allegation 3 as a whole, the Panel had no difficulty finding that the Member failed to perform his professional duties with integrity and due care in breach of Rule 202.1 of the Code, constituting professional misconduct. It is a minimum expectation and requirement of CPAs that they carry out their functions adequately and appropriately, including proper accounting of the general ledger, and tax filings.

*Allegation 4: While engaged as the accountant for RSG, the Member failed to perform his professional duties with due care, in that he applied for the ITC associated with a \$227,130 payment to JEP when RSG was ineligible, contrary to Rule 202.1 of the Code*

- [42] The factual context to this Allegation is set out above in respect of Allegation 3A and 3B. The CRA denied the claim from RM for an ITC of \$26,130 in respect of HST paid to JEP because the invoice issued by JEP was to RSG not to RM. Harris testified that the Member advised her that after this denial, he submitted a claim to the CRA for an ITC of \$26,130 on behalf of RSG. This claim was also denied by CRA, this time on the basis that the invoice was paid by RM, not by RSG.
- [43] The Panel found that the Member should have known the documentation was insufficient to support the second claim for the HST rebate, and that the Member failed to perform his professional duties with due care in breach of Rule 202.1 of the Code, constituting professional misconduct.



*Allegation 5: The Member failed to comply with CPA Ontario's General By-Law and Regulations 7-1, 10-1, and 14-1, contrary to Rule 101.1(b)(i) of the Code, in that:*

5A: He performed professional services through his firm without holding the requisite professional liability insurance; and

5B: He failed to provide CPA Ontario with accurate information as to his current employment, his lapsed insurance and the nature of the professional services provided by his firm.

- [44] The CPA Ontario By-law and Regulation 10-1 require that members who engage in the practice of public accounting or provide accounting services to the public must only do so with firms registered with CPA Ontario. The By-Law and Section 2 of Regulation 14-1 provide that every firm engaged in public accounting or providing accounting services to the public shall maintain minimum levels of professional liability insurance. The CPA Ontario By-Law requires every Member provide the Registrar with accurate information and provide updates in changes to their status, and to provide CPA Ontario with proof of their liability insurance. Rule 101.1(b)(i) provides that all members shall comply with the legislation, bylaws and regulations of CPA Ontario.
- [45] Harris testified that the Member told her after he was no longer working with RM, he continued to provide taxation and accounting services to a small number of clients through his professional firm, and that he continued to be registered with CRA's "EFILE" for the purpose of electronically submitting tax returns for his clients at the time of his interview on April 10, 2024. In the Member's response to Harris dated April 28, 2024 (Exhibit 2, Tab 41) the Member admitted that his insurance had lapsed.
- [46] Harris testified that the Member had advised CPA Ontario that he was unemployed, whereas he told her in the interview that he had continued to provide tax and accounting services through his firm to select clients.
- [47] The Panel found that the evidence of Harris established on a balance of probabilities that the Member had violated Rule 101.1(b)(i) of the Code through his failure to abide by the applicable Regulations and By-Law, and that this constituted professional misconduct.

*Allegation 6: The Member 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 did not keep complete and accurate records of professional services provided by his firm, contrary to Rule 218 of the Code*

- [48] Harris testified that on numerous occasions the Member was unable to provide her with documentation to substantiate the procedures he carried out in the course of providing professional services, on the basis that he no longer had the documents she requested. Examples include the following:
- (1) The Member told her he could not provide the general ledgers for his own firm to show the revenue received for his work with RM and RSG, because he had computer problems and had lost the data. Harris testified that the Member provided no proof of a computer problem or data loss.

- (2) Harris asked the Member for a copy of the T183 form from his clients authorizing him to file returns on their behalf, but the Member was not able to produce these forms for all of his clients. The Member advised Harris that he could not find these files as a result of the computer problem and data loss that he experienced. He explained that he moved his documents onto a thumb drive but could not locate the thumb drive.
- (3) Harris asked the Member to provide the T2 forms for all the tax returns that he filed for his corporate clients, but the Member was unable to produce these forms for all of his clients.
- (4) Harris asked the Member to provide documentation evidencing ownership and shareholder information for RM and RSG respecting the years he prepared the tax returns for these corporations, but the Member was unable to produce this documentation. He was unable to substantiate the information he included in RM's Form 50 with respect to shareholder information.

[49] The Panel found that the evidence of Harris established on a balance of probabilities that that Member failed to take reasonable steps to retain complete and accurate records of the professional services performed by his firm, contrary to Rule 218 of the Code, constituting professional misconduct.

*Allegation 7: That from March 20, 2024 to June 12, 2024 the Member failed to cooperate with the regulatory process of CPA Ontario, contrary to Rule 104.2 of the Code, in that he failed to provide documents or other information when requested to do so by the PCC through its investigator*

[50] Pursuant to her appointment as investigator in March 2024, Harris made multiple requests for information from the Member. This included a list of 15 items provided by Harris to the Member on April 15, 2024 (Exhibit 2, Tab 41, pp. 320-321). The Member in response questioned the scope of the investigation (Exhibit 2, Tab 31, p. 322). Harris followed up on several occasions and granted the Member an extension of time to provide the requested documents (Exhibit 2, Tab 41, pp. 329-349). The Member agreed to provide the documents by May 1, and on April 28, 2024 provided certain of the documents and answered several of the questions posed by Harris, but did not provide all of the documents requested and questioned the relevance of some of the requests (Exhibit 2, Tab 41, pp. 352-353).

[51] On May 6, 2024 Harris wrote to the Member identifying five key requests that remained outstanding, and emphasized his duty to cooperate pursuant to Rule 104 of the Code (Exhibit 2, Tab 41, p. 361). These five key requests were:

- (1) A copy of his firm's general ledger from January 1, 2018 to the present.
- (2) Copies of his firm's financial statements from fiscal years 2017 to the present.
- (3) Complete copies of his firm's income tax returns as filed for fiscal years 2017 to the present.
- (4) Copies of his firm's bank account statements from January 1, 2018 to the present.
- (5) Complete copies of his personal income tax returns from 2018 to 2023, and notices

of assessment and reassessment if any.

- [52] In her letter of May 6, 2024, Harris also noted that the Member had said he did not have detailed ownership information of RM and RSG, notwithstanding that he filed their tax returns, and prepared Notice to Reader statements for RM. Harris wrote that this information should be in his files, but that as he remained in contact with the CEO of RM, he was required to obtain and provide any information from the CEO that the Member had lost due to his allegedly damaged computer (Exhibit 2, Tab 41, p. 361).
- [53] In response, the Member indicated that he needed more time, and advised that he would try to provide the outstanding documents for Thursday May 9, 2024 (Exhibit 2, Tab 41, p. 365). The morning of May 9, 2024, the Member emailed Harris and told her that he needed additional time to “aggregate the information” due to his ongoing work commitments and he requested the weekend to provide the documents (Exhibit 2, Tab 41, p. 369).
- [54] That same day, PCC counsel wrote to the Member setting out the history of the information requests made by Harris and the responses by the Member, emphasized the duty to cooperate under Rule 104 of the Code, and the powers of the investigator under the *Chartered Professional Accountants of Ontario Act, 2017*. PCC counsel required the Member to provide all outstanding documents and information by end of day on Friday May 10, 2024 and to confirm that he had provided everything that he wished to be considered by the PCC in the investigation. PCC counsel advised that failure to cooperate by that date would be referred to the PCC and could result in an allegation of professional misconduct (Exhibit 2, Tab 41, pp. 374-6).
- [55] Later on May 9, 2024, the Member responded by email to PCC counsel indicating that he would be travelling the next day by plane, and that is why he “requested the weekend” (Exhibit 2, Tab 41, p. 378). In her testimony Harris confirmed that the Member had previously made no mention of plans to travel or of his unavailability.
- [56] On Monday, May 13, 2024, PCC counsel responded to the Member, confirmed that Harris had received no additional information by the deadline of May 9, 2024, and granted the member an extension to provide the outstanding materials no later than Tuesday, May 14, 2024 (Exhibit 2, Tab 41, p. 380).
- [57] The Member responded that he was in the Dominican Republic until May 15 and that he would provide the requested information to Harris by end of day on May 16 (Exhibit 2, Tab 41, p. 380).
- [58] Harris testified that the Member had not previously informed her that he would be out of the country, and that the Member did not provide any of the outstanding materials. Harris also testified that the Member’s failure to provide the outstanding documents impeded the investigation. By way of example, she explained that the Member’s failure to provide the requested information made it more difficult for her to substantiate the funds received by the Member from RM and RSG, and impeded her ability to reconcile the amount the Member said his corporation earned in fees from RM with the amount he recorded as a payments to his firm in the general ledger of RM.
- [59] It is integral to the governance of the profession that members respond promptly and

substantively to communications from CPA Ontario in relation to investigations of complaints, as failures to respond jeopardize the collection of information required to address a complaint: [Mathieu](#) (2022). The case law is clear that it is not for the Member to negotiate the duty to cooperate. It is not for the Member to decide which requests for information to comply with, and which to refuse. It is not for the Member to decide what is a relevant document and what is the proper scope of the investigation: [Round](#) (2019).

- [60] While the Member made reference to his difficult life circumstances, he did not provide evidence that he was unable to cooperate with the regulatory process due to reasons beyond his control. Absent such evidence, failure to cooperate constitutes professional misconduct.
- [61] The Panel found that in failing to provide the outstanding items identified by Harris in her email of May 6, 2024, the Member failed to cooperate with the regulatory process of CPA Ontario, contrary to Rule 104.2 of the Code, and that this failure constituted professional misconduct.

## **VI. DECISION AS TO SANCTION**

- [62] After considering the evidence, the law, and the submissions of the PCC, the Panel accepted the position of the PCC and ordered the Member's membership in CPA Ontario be revoked, that the Member pay a fine of \$20,000 to CPA Ontario within two years, and that notice of the decision be given to all members of CPA Ontario, all provincial bodies, be made available to the public, and be published in the *Globe and Mail* newspaper.

## **VII. REASONS FOR THE DECISION AS TO SANCTION**

- [63] Pursuant to [Regulation 6-2](#), in determining appropriate sanctions the Panel shall consider aggravating and mitigating factors, and may consider the relevant principles of sanction, including protecting members of the public, promoting public confidence in the profession, denouncing the misconduct, achieving specific and general deterrence, maintaining high ethical standards of the profession, and facilitating rehabilitation.
- [64] In determining the appropriate sanction, the Panel considered the nature of the misconduct, as well as aggravating and mitigating circumstances, and the relevant case law cited by the PCC.
- [65] With respect to the nature of the Member's misconduct, the Panel found his association with statements which he knew to be false and misleading to be unethical misconduct of a dishonest nature. While there is no evidence that the Member benefitted financially from this misconduct, it created a significant risk of harm to investors and potential investors who were misled about the Member's role in RM. The misconduct involved multiple instances of false statements, made over a period of years during which the Member was working with RM and RSG.
- [66] The Member's failures to perform his professional duties with integrity and due care were manifold and extended over a significant period of time. Performing one's duties with integrity and due care is the minimum expectation of the public for any CPA. If the public lacked confidence that CPAs could be relied upon to perform their professional services

with integrity and due care, the public would lose faith in the integrity of the profession.

- [67] The Member's failure to retain documentation evidencing his professional services and his failure to cooperate constitute serious misconduct as such misconduct undermines the ability of the profession to regulate its members and thereby undermines the public's confidence in the profession. Failure to respond jeopardizes the collection of information that is required to address a complaint. The investigator in this matter testified about the impact on the investigation of the Member's failure to provide requested documentation. Failure to cooperate with the regulator represents a refusal to accept accountability to one's peers and the public. The Member's varying excuses for failing to provide the requested documentation exposed a lack of good faith and a level of obfuscation and deceit which reflected badly on the Member's character and his integrity.
- [68] The Panel held that the Member's continued failure to cooperate with CPA Ontario in providing the requested materials up to the date of the hearing, and the Member's continued pattern of failing to comply with pre-hearing conference directions subsequent to the time-period of the Allegations (as set out in Exhibit 1), supported a finding that the Member's failure to cooperate was not out of character and was likely to recur.
- [69] The Member admitted the facts underlying the Allegations, but he did not accept that they constituted professional misconduct. As the Member did not show insight into his misconduct or express remorse or take steps to rectify his misconduct, he does not benefit from any leniency that he might otherwise have received. While at the outset of the hearing the Member made brief comments about the difficult circumstances in his life, his decision to not participate in the sanctions portion of the hearing deprived the Panel of the opportunity to receive potentially more substantive evidence of extenuating circumstances. The Panel accepted the Member's lack of a prior disciplinary history as a mitigating factor.
- [70] Considering the specific sanctions, revocation is reserved for the most serious of misconduct. The Panel determined that revocation was appropriate in this case given the multiple findings of serious misconduct that occurred over an extended period of time, the dishonest nature of the misrepresentations that the Member was associated with, the Member's continued unwillingness to comply with CPA Ontario's regulatory requirements, and the Member's failure to recognize that his conduct was unacceptable for a CPA. The Panel found the Member exhibited a complete disregard towards his professional responsibilities, towards his professional regulator, and how the public perceived the profession. The Panel found that protection of both the public interest and the reputation of the profession required that the Member be removed from the profession.
- [71] The Panel found that a fine of \$20,000 was appropriate to meet the objective of general deterrence and that it was within the range of comparable cases, given the multiple findings of misconduct made against the Member. Although the PCC submitted that payment should be made within one year, the Panel granted a period of two years for payment given the Member's testimony about his difficult personal circumstances.
- [72] Publication of the Decision and Order was necessary for the deterrent message to be conveyed to other members and to ensure the public is aware, through notice in the *Globe and Mail* newspaper in the region where the Member practiced. This notice is consistent

with paragraphs 45 and 48 of [Regulation 6-2](#).

#### **VIII. COSTS**

- [73] The law is settled that an order for costs against the Member 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 as a whole should not bear all of the costs of the investigation, prosecution and hearing arising from the Member's misconduct.
- [74] Costs are ordered 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 two-thirds of the costs incurred in the investigation and prosecution of the matter.
- [75] The PCC's Costs Outline is Exhibit 3. The total costs were \$45,807.45, two-thirds of which is approximately \$30,000. The Panel found that this amount for costs was reasonable and found that it was appropriate for the Member to pay two-thirds of those costs, as is the standard practice of the Discipline Committee. Accordingly, costs were set at \$30,000. The Panel ordered that they be payable within two years, consistent with the time period within which the Member must pay the fine.

**DATED** this 12<sup>th</sup> day of May, 2025



Janice Sheehy, CPA, CMA  
Discipline Committee – Deputy Chair

Members of the Panel

Marcus Lam, CPA, CA, LPA  
Marianne Park-Ruffin, Public Representative

Independent Legal Counsel

John Dent, Barrister & Solicitor