

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

ADMISSION AND REGISTRATION COMMITTEE

IN THE MATTER OF: A good character hearing into **J.C.G.**, an Applicant for registration as a student with the Chartered Professional Accountants of Ontario, pursuant to Regulation 9-1: Student Registration, Obligations and Standing, Section 13: Good Character on Registration and Section 14: Credibility on Registration, as amended.

BETWEEN:

J.C.G.

-and-

**Chartered Professional Accountants of Ontario
Registrar**

APPEARANCES:

For the Applicant, J.C.G.:

Present
Hannah Goranson, Counsel

For the Registrar:

Benjamin Kates and Jennifer Zhang,
Counsel

Heard:

October 30 and 31, 2025

Decision and Order effective:

November 11, 2025

Release of written reasons:

December 19, 2025

REASONS FOR THE DECISION AND ORDER MADE NOVEMBER 11, 2025

I. INTRODUCTION

- [1] The Applicant, J.C.G., applied to be registered as a student with the Chartered Professional Accountants of Ontario (“CPA Ontario”). The Applicant’s good character was put into issue by two prior bankruptcies.
- [2] The Applicant’s application was referred by the Registrar to the Admission and Registration Committee (“ARC”) and a hearing was held to determine whether the Applicant was of good character at the date of the hearing so as to have met the requirements for registration.
- [3] For the reasons that follow, this Panel finds that the Applicant was not of good character as of the date of the hearing.

II. BACKGROUND AND FACTS

Background

- [4] On November 14, 2023, the Applicant submitted his application to be registered as a student with CPA Ontario. The Applicant answered “yes” to the question: “Have you ever made an assignment in bankruptcy, been declared bankrupt or taken the benefit of any statutory provision for insolvency?” He subsequently completed two questionnaires which provided details of two bankruptcy filings, the circumstances leading up to and surrounding them, and his discharges from the bankruptcies.

First Bankruptcy

- [5] The Applicant first declared bankruptcy under the Bankruptcy and Insolvency Act (“BIA”) on December 1, 2005 (“First Bankruptcy”), when he was 26 years old.
- [6] The Applicant testified that his finances were “stable” in the early 2000s. He worked at a factory and lived with his parents in St. Marys, Ontario. He bought a new car with financing in 2001, and had no trouble making the car payments, nor the payments on his credit card.
- [7] Things changed around May 2004 when his father, the sole breadwinner between his parents, experienced a severe decline in his health. His father was hospitalized multiple times, underwent an organ transplant, which was followed by a long hospital stay and extensive rehabilitation. His illness meant he could not work, which dramatically reduced his parents’ household income.
- [8] The Applicant testified that he decided to assist his parents financially during this period and fell behind on his own bills. As a result of missed payments, he was forced to return his financed vehicle to the dealer. The vehicle was sold at auction with a shortfall, which he could not pay. Together with outstanding credit card payments, he was \$20,000 in debt when he filed for the First Bankruptcy in 2005.
- [9] On May 2, 2007, the Applicant was absolutely discharged from the First Bankruptcy pursuant to section 172(1)(a) of the BIA.

Second Bankruptcy

- [10] Two years after being discharged from the First Bankruptcy, on September 16, 2009, the Applicant and his then-wife, TG, purchased a house in Northern Ontario for \$89,000. The purchase was funded entirely through a vendor take-back mortgage bearing interest at 6% per annum. As the Applicant admitted, he relied on private financing as he knew he would not have qualified for traditional financing. His wife did not work due to health issues. The Applicant was the sole income earner and solely responsible for paying the mortgage. They lived in the home, though the Applicant travelled frequently across Northern Ontario because of his job at the time. His travel expenses (including fuel, meals, hotels) were not reimbursed by his employer. As he testified, he spent in excess of \$20,000 a year on travel expenses.
- [11] On November 14, 2014, the Applicant and TG purchased a second house in Southern Ontario for \$115,000. By that time, he worked for a different employer as a project

accountant which required frequent travel to British Columbia. He and TG decided to move to Southern Ontario to be closer to family and so that TG did not have to be alone for extended periods when he was away for work. The second home purchase was financed through a bank loan. After the move to Southern Ontario, the house in Northern Ontario was rented out to a friend.

- [12] Not long after purchasing the second home, the Applicant purchased a new vehicle, a 2016 Dodge Grand Caravan, financed by a car loan.
- [13] The Applicant neglected to pay attention to his finances. During his testimony the Applicant stated that, with his frequent work travels, he did not check credit card statements for a six-month period at one point and did not notice that TG had been accumulating credit card debt until it reached \$30,000.
- [14] In April 2016, the Applicant withdrew what he could from his RRSP to pay down the credit card debt. A month later, the Applicant took a lower-salary job as the accounts payable/payroll coordinator with a fresh market produce supplier in Southern Ontario. As he explained during his testimony, he made the job switch despite the reduced annual salary (\$50,000) because the position did not require travel, which had been hard on his marriage.
- [15] TG started a part-time job at a coffee house/restaurant to help supplement the household income but soon quit due to health issues. The Applicant's financial situation spiraled downhill rapidly in the latter part of 2016. The tenant of the Northern Ontario property stopped paying rent, leaving the Applicant to pay the mortgage and property taxes on two houses on his single reduced salary. On December 22, 2016, he and TG sold the house in Southern Ontario for \$134,000. The proceeds from the sale, which closed on February 6, 2017, were used to pay off the mortgage on the property and for living expenses, and he and TG moved to a rental property in Mitchell, Ontario, to be closer to his parents. Rent payments were double what his mortgage payments had been. He was unable to service his debts.
- [16] On March 9, 2017, the Applicant filed for bankruptcy a second time ("Second Bankruptcy"). His liabilities as indicated on Form 79 (Statement of Affairs) at the time totaled \$169,821.67.¹ He attributed the cause of this second filing to "mismanagement of credit, over-extension of credit and health-related matters". He abandoned his house in Northern Ontario as part of the bankruptcy process. It was sold for considerably less than the purchase price in 2009, with a loss of \$71,264.96. His vehicle was repossessed and sold at auction.
- [17] In 2018, the Applicant started new employment with Company A, which was subsequently acquired by Company B. The Applicant remains employed with Company B to date.

¹ The Panel notes that the amount of liabilities on Form 79 is different from the amount indicated on the Agreed Statement of Facts. The Agreed Statement of Facts states at paragraph 10: "At the time of the bankruptcy, the Applicant had...\$219,379 in liabilities".

[18] On March 10, 2020, the Applicant was automatically discharged from the Second Bankruptcy pursuant to section 168.1(1)(b)(ii) of the BIA.

III. ISSUES

[19] The main issue for this Panel's determination is whether the evidence establishes on a balance of probabilities that the Applicant is of good character at the time of the hearing. As the matter was also referred on the basis that evaluation of the application requires assessment of the Applicant's credibility, this Panel is to assess his credibility in the course of considering the Applicant's good character. The secondary issue, should the Panel make a determination in the negative, is whether to impose terms on reapplication and what those terms ought to be.

IV. DECISION

[20] This Panel heard the testimony of the Applicant and that of three witnesses he called: (i) PN, a long-time family friend; (ii) JL, his immediate supervisor at his current place of work, Company B; (iii) CF, a partner at Company B. In addition to the testimonial evidence, an Agreed Statement of Facts and 29 other documents were filed as exhibits.

[21] Counsel for the Registrar took no position at the conclusion of the hearing with respect to the issues for this Panel's determination. However, they did cross-examine all four witnesses, filed a Book of Authorities and made submissions for the Panel's consideration.

[22] Having considered the evidence and the submissions of the parties, the Panel finds that the Applicant was not of good character as of the date of the hearing and does not meet all the requirements for registration as a student of CPA Ontario.

V. REASONS FOR DECISION

Good Character Hearing

[23] To be registered as a student with CPA Ontario, an applicant must be of "good character". CPA Ontario's students and members are expected to act in accordance with the highest standards of the profession in order to preserve the trust, respect and confidence of the public. The purpose of the good character requirement is geared towards this end. Of note is the observation made in *G. B.* at para 18: "The objective of the good character requirement is the same as that for professional discipline - protection of the public and maintenance of public confidence in a self-regulated profession....The requirement of good character and reputation is fundamental to [the] profession's ability to self-regulate."²

[24] Pursuant to subsections 6.1 and 6.2 of Regulation 9-1, the Registrar shall not register an applicant without being satisfied that the registration will not put the public at risk or bring the reputation of the profession into disrepute.

[25] If an applicant does not provide evidence of good character satisfactory to the Registrar, or if the evaluation of their application requires an assessment of the applicant's credibility,

² *G. B. v. Chartered Professional Accountants of Ontario*, [2019 ONCPA 20](#)

the Registrar shall refer the matter to an oral hearing before the ARC (sections 13 and 14 of Regulation 9-1). In referring the matter to the ARC, the Registrar is not making a decision about the applicant's good character, but rather they are finding that they have not been given sufficient evidence by the applicant to make a decision about good character or that the evidence provided on its face requires testing for credibility.

- [26] If the ARC determines that an applicant is not of good character, it shall make an order refusing the applicant's registration and may impose restrictions and conditions for reapplication if appropriate (section 19 of Regulation 9-1). If the ARC determines that the applicant has met the good character requirements, it shall make an order registering the applicant on such conditions and restrictions as the Committee considers appropriate (section 21).
- [27] The decision to be made by the ARC on a good character hearing must have regard to the purpose of the good character requirement, namely: to protect the public who retain accounting professionals, to ensure that the profession maintains a reputation for high professional and ethical standards, and to demonstrate that CPA Ontario is an effective regulator.³ As Justice Swinton put it in *Shore v. Law Society of Upper Canada*, it would be an "error in principle" to ignore the public interest.⁴

What is Good Character

- [28] "Good character" is not defined in the Regulations. Previous panels of ARC have adopted the meaning of good character espoused by other professional regulators. In *A. R.* (2021), the Panel quoted the often-cited definition of good character set out in the Law Society of Upper Canada Tribunal decision of *Preyra*:

That combination of qualities or features distinguishing one person from another. Good character connotes moral or ethical strength, distinguishable as an amalgam of virtuous attributes or traits which undoubtedly include, among others, integrity, candour, empathy and honesty.⁵

- [29] Good character is said to comprise the following qualities noted by Madam Justice Southin of the British Columbia Court of Appeal, and adopted in *A. R.* (2021):

"[G]ood character" means those qualities which might reasonably be considered in the eyes of reasonable men and women to be relevant to the practice of law...

1. An appreciation of the difference between right and wrong; and
2. The moral fibre to do that which is right, no matter how uncomfortable the doing may be and not to do that which is wrong no matter what the consequences may be to oneself;

³ *I. S. v. Chartered Professional Accountants of Ontario*, [2022 ONCPA 7](#), at para. 36

⁴ *Shore v. Law Society of Upper Canada*, [2009 CanLII 1830](#), at para. 72

⁵ *A. R. v Chartered Professional Accountants of Ontario*, [2021 ONCPA 14](#), at para 35 (citing *Preyra, Re*, [2000 CanLII 14383](#))

3. A belief that the law at least in so far as it forbids things which are *malum in se* must be upheld and the courage to see that it is upheld.⁶

[30] As stated in *Preyra*, the standard for good character is not perfection. The Panel does not need to determine with certainty that the Applicant will not commit misconduct again. The issue is whether the Applicant has satisfied the Panel that he is of good character at the time of the hearing, not the risk of re-offending.

Onus and Burden of Proving Good Character

[31] Under section 13 of Regulation 9-1, an applicant must provide satisfactory evidence to establish his or her good character. Here, the onus was on the Applicant to prove to the Panel, on a balance of probabilities, that he was of good character at the time of the hearing.

Factors Determining Good Character

[32] In determining the good character of applicants to CPA Ontario, previous panels have been guided by the five-factor test adopted in *G. B.* at para 19:

- a. The nature and duration of the misconduct;
- b. Whether the applicant is remorseful;
- c. What rehabilitative efforts, if any, have been taken and the success of such efforts;
- d. The applicant's conduct since the misconduct; and
- e. The passage of time since the misconduct.

[33] These factors are not exhaustive. The weight given to each of these factors is dependent upon the circumstances of the particular case. A determination of whether a person is of good character is not a mathematical formula but is based upon a holistic weighing of these factors, which are often overlapping and interrelated. See *A. R. (2021)* at para 39 and *B. Z.* at para 34.⁷

[34] Because the factors are interrelated, this Panel does not treat them in watertight compartments. Instead of structuring our analysis to address each factor independently and in an isolated fashion, the Panel will first consider the nature of the misconduct, then address in the round the factors that we would describe as forward-looking, post-misconduct factors—namely, remorse, rehabilitation efforts and passage of time—for each bankruptcy.

[35] Before proceeding to the analysis of good character, this Panel addresses its assessment of the character evidence.

⁶ *A. R. (2021)*, at para. 36.

⁷ *B. Z. v Chartered Professional Accountants of Ontario*, [2023 ONCPA 1](#)

Assessing the Evidence

- [36] Pursuant to Rule 19.01 of the *Rules of Practice and Procedure*, the Panel may receive any evidence that it finds relevant and reliable, subject to restrictions in the Act.
- [37] One of the grounds on which the Registrar referred this matter to a hearing is that this is a circumstance where evaluation of the application requires assessment of the Applicant's credibility. Credibility describes the honesty, sincerity, or veracity of a witness—that is to say, whether their story carries conviction of the truth. As explained in *Faryna v. Chorny*,⁸ the test of the truth of a witness's story is "its harmony with the preponderance of the probabilities which a practical and informed person would readily recognize as reasonable in that place and in those conditions."
- [38] In the Panel's view, the Applicant came across as a credible witness overall. He came across as honest and sincere, and his account of what had transpired is generally supported by the documentation filed. That said, as further explained below, based on his conduct, the Panel has some doubts as to whether the Applicant has taken full and genuine responsibility for the actions that led to the Second Bankruptcy as he said he has.
- [39] Character evidence is often considered in good character hearings and was led in this hearing. It is for this Panel to assess how much weight to give it. In *Blackburn v. Law Society of Upper Canada*, it was stated that the panel "must assess the quality of the comments, the relationship of the parties, their opportunity for meaningful evaluation of the person, and the consistency of opinions from diverse sources".⁹ In assessing the weight to accord to evidence of family members or loved ones, *T. (S.A.) v. Law Society of Upper Canada* instructs that a panel "must take into account the fact that the Applicant has a close personal relationship with all of them and that, necessarily, there is an apprehension of bias in favour of the Applicant".¹⁰
- [40] The Registrar submitted that the testimony of PN, one of the three character witnesses, should be given no or little weight. The Applicant disagreed that no weight should be afforded.
- [41] PN described herself as a "very close friend" of the Applicant's parents and an "aunt" figure to the Applicant. She spent almost every weekend at the Applicant's parents' family home from 1996 to 2019. There is no doubt, as it came through her testimony, that she is fond of the Applicant and thinks highly of his character. While she is a well-intentioned witness, it does not necessarily make her evidence of value.
- [42] As a close family friend who was at the Applicant's parents' home weekly in the mid-2000s, PN was able to observe the family dynamics in the period leading up to and surrounding the First Bankruptcy. She had direct evidence to corroborate the challenging circumstances that the family faced when the Applicant's father fell ill. Her evidence in this regard is reliable, though of peripheral relevance to the issue that the Panel has to

⁸ *Faryna v. Chorny*, [1951 CanLII 252](#), [1952] 2 D.L.R. 354 (BC CA), at 357.

⁹ *John Blackburn v. Law Society of Upper Canada*, [2010 ONLSHP 112](#), at para 51.

¹⁰ *T. (S.A.) v. Law Society of Upper Canada*, [2015 ONLSTH 22](#), at para 97.

determine.

- [43] Her evidence regarding the factors that led to the Second Bankruptcy, what the Applicant learned from the two bankruptcies and any changes he made to his financial arrangements following each bankruptcy is a different matter. It is information conveyed to her either by the Applicant or the Applicant's mother, and thus, is either hearsay or double hearsay. PN testified that between 2008 and 2014, when the Applicant lived in Northern Ontario, she saw him only periodically when he visited his parents on occasions such as birthdays and Christmas. She acknowledged that "[the Applicant's] bankruptcies weren't the focus of my relationship with [the Applicant]". She also acknowledged that her memory is poor and she "refreshed her memory" before her testimony by discussing the bankruptcies with the Applicant. The Panel places no weight on her evidence regarding the Applicant's financial management strategies and habits in response to each of his bankruptcies. It is hearsay that lacks apparent objectivity and is not necessary in that it adds nothing new to the Applicant's testimony.
- [44] The other two character witnesses, CF and JL, have known the Applicant since 2018—*after* the Second Bankruptcy filing—through their shared place of employment. CF hired the Applicant in 2018, and JL is currently his direct supervisor. Both stated that they have no concerns regarding the Applicant's character and did not think the fact that the Applicant had filed for bankruptcy would impact clients' view of him. Their interactions with the Applicant are limited to the professional context. By their respective admission, neither can speak to what goes on in the Applicant's personal life except to relay what the Applicant and his now wife, who also works at Company B, might have shared at the office. To the extent that CF and JL can speak to the Applicant's character, it is limited to what they could observe of his conduct in the workplace. They have no direct evidence of the causes of the Second Bankruptcy (much less of the First Bankruptcy), or what the Applicant has done since to get his personal finances in order so as to prevent a third bankruptcy.

Analysis

Nature of the Misconduct

- [45] Compared to the conduct underlying most good character hearings, this case involves a unique kind of misconduct raising questions about the good character of the Applicant: that of financial mismanagement and lack of financial accountability to a sufficiently severe degree as to result in bankruptcy. The misconduct was not an isolated incident. It happened on two occasions.
- [46] Filing for bankruptcy itself is not misconduct or an inherently blameworthy action, but is a legal relief provided under the BIA to give debtors a fresh start. That said, the bankruptcy process is not intended to be used as a "clearing house" for debt: see Rotenberg at para 23.¹¹
- [47] What is of concern for this Panel is a person's conduct, or rather misconduct, that resulted in the accumulation of overwhelming debts and failure to honour the commitments made

¹¹ *Rotenberg (Re)*, [2017 ONSC 3585](#)

to one's creditors leading to the bankruptcy process.

- [48] In this case, it was the Applicant's financial mismanagement, including his spending, excessive borrowing to fund purchases and lack of contingency planning, that pushed him into a precarious financial situation and ultimately resulted in his failure to live up to his obligations to creditors. The financial mismanagement, particularly as it relates to the Second Bankruptcy, occurred over a period of time, as detailed below.

First Bankruptcy

- [49] This Panel accepts that the Applicant had experienced an unfortunate and unexpected turn of events in the lead up to the First Bankruptcy. He was in his 20s, living with his parents, earning a salary and could afford to buy a new vehicle with financing. All would be well provided that nothing changed financially in a negative way. Yet things changed when his father became ill and could no longer earn the same income to support the household.
- [50] The Panel also accepts that the Applicant chose to help his parents financially because he did not want to see them lose their house. This impacted his personal finances, particularly his ability to make his car loan payments and to pay his credit card debts. The evidence shows that the Applicant was not prepared to deal with unexpected financial burdens or changes in circumstances and did not have a contingency plan in place. He was essentially living paycheck to paycheck without meaningful savings to rely on for emergency needs, in case of a sudden change in income or expenses.
- [51] As it relates to the Applicant's character, the central question arising from the First Bankruptcy is whether he showed remorse and took positive steps in an effort to avoid repeating past omissions or mistakes. Remorse, rehabilitation, and subsequent good conduct may demonstrate changed character.¹²
- [52] Remorse has been described in the jurisprudence as involving gaining insight into oneself and one's behaviour, and more particularly, appreciation of the root causes of one's misconduct, recognition that one's actions were choices actively made and taking full responsibility for them, as opposed to blaming others or outside factors. The real test of remorse is "a willingness to face one's past behaviour, one's demons, to be totally honest with oneself, and to take appropriate remedial action".¹³
- [53] Remorse is closely tied to the concept of rehabilitation. Rehabilitation is based on a person's capacity to recognize their mistakes, to make amends, and to correct course. In assessing this factor, a panel will consider rehabilitative efforts that have been taken, if any, and the quality, relevance and success of those efforts.
- [54] Having experienced an unanticipated financial situation that resulted in his having to seek protection from creditors, the Applicant knew or ought to have known from his experience with the First Bankruptcy that circumstances can change unexpectedly and that a

¹² *Polanski v. Law Society of Ontario*, [2020 ONLSTH 115](#), at para. 148.

¹³ *A.R. v. Chartered Professional Accountants of Ontario*, [2025 ONCPA 22](#), at para. 148 (citing with approval *T. (S.A.)*, *supra* note 9).

contingency plan is necessary to account for any change in circumstances that could impact his ability to meet his financial obligations. Furthermore, it does not appear, however, that subsequent to the First Bankruptcy, the Applicant took meaningful remedial steps to ensure that he had a financial safety net in place to deal with future surprises, such as budgeting, putting money aside for an emergency fund, or establishing a practice of regularly reviewing his financial situation to identify expenditures that could be scaled back to make room for unexpected expenses. The Panel is not convinced that the Applicant gained sufficient insight from the circumstances and his own role that resulted in the First Bankruptcy. Nor did he show sufficient remorse for, and sense of responsibility to, the creditors who were deprived of full repayment as a result of the choice he made to let his own financial obligations lapse.

- [55] There is no evidence of steps taken by the Applicant towards rehabilitation following the First Bankruptcy, such as seeking financial counselling or taking courses to improve his financial management skills and behaviour. There is no evidence that he had even looked into financial counselling and courses.
- [56] The Applicant has demonstrated neither how he was remorseful, if he was at all remorseful, nor what he had learned and how he had changed as a result of the First Bankruptcy.
- [57] Quite the contrary, the Applicant's conduct after the First Bankruptcy evinces a dangerous approach to spending and a continued lack of financial preparedness. Two years after he was discharged, he purchased a home without making any downpayment, but instead financed the entire purchase price with a vendor take-back mortgage. As the Applicant testified, he knew his financial circumstances were such that he would not qualify for traditional financing and hence, he did not apply for it. He also knew that the interest rate was higher in the case of a private mortgage compared to a traditional institutional mortgage. His rationale was that the mortgage payments would be less than rent payments. When asked whether he had considered his exposure to changes in the property's market value when he made the decision to buy, he stated that the market would go up because a mine was being developed in the area that would increase the need for housing. His answer shows that he only considered the potential for gain, disregarding any risk of loss.
- [58] Altogether, the evidence suggests that the Applicant had not become any more financially responsible since the First Bankruptcy in the sense of avoiding incurring debts beyond his means or that could become unmanageable should an unforeseen event arise. He did not rehabilitate his financial habits and began to accumulate debt again. The misconduct that led to the First Bankruptcy was repeated which, in time, led to the Second Bankruptcy.
- [59] The Panel took into account the fact that the First Bankruptcy happened many years ago. Twenty years have elapsed since his financial choices and mismanagement led to his first filing for bankruptcy. That said, the passage of time is significant less so in and of itself, but as it also goes towards whether an applicant has sufficiently removed himself from the circumstances surrounding the misconduct and changed for the better. "While the passage of time is a factor that must be considered, it is the quality of the rehabilitation efforts that occurred during that time that is really at issue", observed the Panel in *Zoraik*

v. Law Society of Ontario, quoting *Puchiele v. Law Society of Upper Canada*.¹⁴ In this case, even though a long time has passed, we are not persuaded that the Applicant had made good use of the time passed (especially between the two bankruptcies) to rehabilitate his financial habits as he ended up having to seek protection from creditors a second time in March 2017.

Second Bankruptcy

- [60] In the Agreed Statement of Facts, the Applicant described the cause of the Second Bankruptcy as “mismanagement of credit, over-extension of credit and health-related matters”. These were essentially the same contributing factors as those that led to the First Bankruptcy, except more was at stake this time around and more creditors stood to be harmed from his financial mismanagement. His liabilities at the time of the Second Bankruptcy far exceeded those at the time of the First Bankruptcy: it was approximately tenfold the amount (\$20,000 versus \$219,379.17).
- [61] The Applicant’s spending habits and financial choices—purchasing two homes when he knew his then wife’s health issues had not allowed and might not allow her to work, buying a new vehicle while switching to employment that paid appreciably less (approximately \$88,000 versus \$50,000)—could only be described as reckless and irresponsible. When asked during his testimony whether he had a contingency plan in the event that the tenant failed to pay, he indicated that the contingency plan consisted of “hope” that the market value of the property would rise, not fall. Simply put, his conduct revealed a serious lack of financial discipline and planning.
- [62] The Applicant’s conduct left his creditors to suffer greatly. When he was discharged from bankruptcy in March 2020, his unsecured creditors received only approximately 1% of their debt (payment of \$1,486.33; claims of \$117,741.34).
- [63] While the Applicant testified that he felt ashamed he had to go through the bankruptcy process again, it is clear to the Panel that the Applicant did not use the First Bankruptcy as a learning experience to change his financial management practices. The question is, has he changed his ways and learned from the Second Bankruptcy so as to avoid a possible third bankruptcy?
- [64] The Applicant testified that he had divorced his then wife and is currently remarried with a young child. His now wife earns a full-time salary. He testified that he has changed his spending habits and has become more frugal with his money. There is evidence that he is currently solvent and has good creditworthiness, with a credit score of “723—very good”.
- [65] Still, the Panel has doubts that that the Applicant has taken full and genuine responsibility for his actions and gained significant insight as to the reasons for his bankruptcies. In 2024, four years after he was discharged, he purchased a brand-new Chevy Equinox for \$60,511, whose equity depreciated to \$40,000 a year later. When asked whether he had considered depreciation in his decision to purchase the vehicle, he admitted that he did not consider depreciation because he was going to keep the car until the loan was paid

¹⁴ *Zoraiik v. Law Society of Ontario*, [2019 ONLSTA 11](#), at para. 67 (citing *Puchiele v. Law Society of Upper Canada*, [2018 ONLSTH 19](#), at para 74).

off. Again, there was no turning his mind to something unexpected happening that would require him to sell assets to meet his obligations. Should this occur, the amount that the Applicant would likely obtain from sale of the vehicle would be substantially lower than the vehicle loan amount. The Applicant also acknowledged that he did not consider whether there were other vehicles offering the same features that were cheaper. He bought the \$60,000 vehicle because, in his words, “we *liked* the vehicle” [emphasis added].

- [66] In the Panel’s view, despite the fact that he has been discharged since 2020, the Applicant’s rehabilitative efforts really only began in earnest in the summer of 2025 after his application was referred to the ARC for a hearing. On June 26, 2025, he had his first telephone counselling session with the Credit Counselling Society, following which he created a household budget. A second counselling session took place on October 16, 2025. Between August and October 2025, he took a number of webinar courses on financial management, including the psychology of saving, the psychology of spending and Budgeting 101. He testified that this hearing was the motivation for taking the courses and he probably would not have taken them but for the hearing.
- [67] The household budget that the Applicant created subsequent to his first counselling session and which he filed as an exhibit for the hearing is outdated and not entirely accurate. Under “assets”, the Applicant included \$132,000 in life insurance for himself, and \$97,500 in life insurance for his wife. When questioned, he admitted that there was no cash value to the insurance policies that he could liquidate, and the amounts should not have been included as assets. There is also a discrepancy in the amount for life insurance he had listed in the Confidential Statement of Financial Information for Reporting a Formal Insolvency Proceeding dated April 11, 2025, that was submitted to CPA Ontario, on which he indicated an amount of \$107,000 for himself and \$95,000 for his wife under “RRSP, life insurance.” His budget had a separate line item for RRSP valued at \$10,000 for himself and \$30,000 for his wife. When asked about the variance between the budget and the statement, particularly as the lesser amount on the statement was inclusive of RRSP, he could not provide an explanation other than to say that it could have been a typographical error.
- [68] In terms of the currency of the information on the budget, as the Applicant testified, since the budget was prepared a few months ago, he and his wife have received raises at work. In addition, they have purchased a house for approximately \$590,000. The purchase is in the Applicant’s wife’s name, with the 20% downpayment paid using a financial gift from a family member. The Applicant testified that he contributes to the mortgage payments. The \$24,800 lines of credit reflected on the budget have been paid using funds from his wife’s RRSP. During his testimony, the Applicant stated that he has an emergency fund, but his emergency fund account is currently depleted because of an unexpected veterinarian bill of approximately \$5,000. It would have been helpful to the Panel had the Applicant provided an up-to-date budget with a more up-to-date representation of his financial status at the time of the hearing.
- [69] In summary, the Panel has concerns that the Applicant’s current financial stability is a direct result of both his wife’s ongoing financial support and a one-time financial gift from his wife’s family and not of any financial actions taken by the Applicant himself. The fact that the Applicant paid off the \$24,800 line of credit is a positive step; however, the Panel

has concerns as to how and why the line of credit grew to this level in the first place. All of these factors indicate to the Panel that the Applicant has yet to fully learn from the mistakes he made that led to the Second Bankruptcy.

- [70] The Panel finds that the Applicant has implemented positive remedial changes since June 2025 to prevent himself from being in a situation that may necessitate a further bankruptcy filing. It appears though that the Second Bankruptcy had not been the real wake-up call for him to change his behaviour but, rather, this good character hearing seems to have served that function. The courses and counselling he participated in this year have led him to reflect on his spending and to help him make better financial decisions in the future. However, not enough time has passed since these rehabilitative efforts were made to gauge their success in bringing about a permanent or sustained change of behaviour to protect against another insolvency event. The Applicant has not demonstrated a track record of financially responsible conduct to confirm that he has internalized the lessons learned from the courses and counselling sessions, reflected on past financial decisions, and adopted an enduring shift in attitude.

Conclusion

- [71] The Panel accepts the Applicant's testimony that he felt ashamed about having filed for bankruptcy twice. He testified to feeling remorseful as well. The Panel also accepts that his hiring manager and current supervisor at work, CF and JL, who came to know him only after the Second Bankruptcy filing, think highly of him from a professional standpoint. Nonetheless, given that the Applicant had filed for bankruptcy twice, and the Panel's finding that he failed to gain significant insights from the First Bankruptcy, a sufficient period of sound financial conduct is necessary to demonstrate that his changed ways are genuine, rather than done just to satisfy CPA Ontario's registration requirements. The fact that his financial situation evolved significantly in the short period of time since he created the budget in June 2025 makes it all the more important that there be evidence of a long-term period of conduct in order to assess whether the Applicant has truly gained insights and rehabilitated himself based on those new insights.
- [72] Based on the evidence before this Panel, the Applicant has not demonstrated a track record of financially responsible conduct to demonstrate that he has internalized the lessons from his past mistakes and oversight, and adopted an enduring shift in attitude. It appears that the Second Bankruptcy had not been the real wake-up call for him to change his behaviour, but this good character hearing seems to have served that function. Many of his rehabilitation efforts were made in the past few months. Accordingly, it is too soon to assess whether the Applicant has permanently incorporated the lessons learned from the counselling sessions and courses taken into his financial management and instilled new financial habits to replace the ones that twice landed him in a precarious financial situation.
- [73] This Panel is cognizant of the public interest. As a regulator of the accounting profession, it is pivotal that CPA Ontario ensures that students registered with the regulator are able to exercise good financial judgment. There is a nexus between the provision of accounting services, financial management ability and financial judgment. The public counts on those registered with CPA Ontario to give sound financial advice and make sound financial

analysis. Registration signals to the public that someone has that ability.

- [74] We find that the Applicant has not met his onus to establish, on a balance of probabilities, that he is of good character at the time of the hearing.
- [75] That said, given the recent progress that the Applicant has made, the Panel determines that the Applicant should be provided with an earlier opportunity to establish good character than that set out in Regulation 9-1 (which provides that an applicant who is refused registration may reapply five years after their application was refused). The Panel is satisfied that if the Applicant wishes to reapply for registration in the future, two years from the date of this Decision and Order would be a sufficient period of time to allow CPA Ontario, either through the Registrar or a further hearing, to determine whether the Applicant has met the requirements for registration. It is, of course, up to CPA Ontario to determine at the time of any reapplication whether the Applicant meets the requirements for registration at the time. This Panel simply offers as a suggestion that the Applicant make use of the intervening period to continue to develop his financial management skills, avail himself of the resources available to him in this respect (e.g., financial counselling and courses), and cement responsible financial practices (e.g., ongoing budgeting) so as to avoid repeating what led to his two bankruptcies.

DATED this 19th day of December, 2025



Bernard S. Schwartz, FCPA, FCA
Admission and Registration Committee – Deputy Chair

Members of the Panel

Kane Porter, CPA, CA
Nancy Tran, Public Representative

Independent Legal Counsel

Anna Wong, Barrister & Solicitor