

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

**DISCIPLINE COMMITTEE**

**IN THE MATTER OF:** Allegations against **RZN LLP**, under **Rules 201.1 and 502** of the CPA Code of Professional Conduct.

Allegations against **John M. Rosenthal (a revoked member)**, under **Rules 104, 201.1, 205, 212.1, and 218** of the CPA Code of Professional Conduct.

Allegations against **Mark S. Zaretsky (a revoked member)**, under **Rules 104, 201.1, 202.2, and 212** of the CPA Code of Professional Conduct.

**BETWEEN:**

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

**-and-**

**RZN LLP, John M. Rosenthal, and Mark S. Zaretsky**

**APPEARANCES:**

<b>For the Professional Conduct Committee:</b>	Kelvin Kucey, Counsel
<b>RZN LLP, John M. Rosenthal, and Mark S. Zaretsky:</b>	Not Present and Not Represented
Heard:	October 17, 20, and 21, 2025
Decision and Order effective:	October 21, 2025
Release of written reasons:	December 8, 2025

**REASONS FOR THE DECISION AND ORDER MADE OCTOBER 21, 2025**

**I. OVERVIEW**

- [1] The Professional Conduct Committee (“PCC”) of the Chartered Professional Accountants of Ontario (“CPA Ontario”) made Allegations against John M. Rosenthal (“Rosenthal”), Mark S. Zaretsky (“Zaretsky”), and RZN LLP (“RZN”) (collectively, the “Respondents”) relating to the solicitation, handling, and use of funds provided by BV and MP, and their lack of cooperation with the regulatory processes of CPA Ontario. Their alleged misconduct occurred between 2023 and 2025.

- [2] Rosenthal obtained his CA designation in 1978, and was a member of CPA Ontario until his recent revocation. Zaretsky obtained his CA designation in 1982, and was a member of CPA Ontario until his recent revocation. At the time of the alleged misconduct, they were partners of RZN LLP, a three-partner accounting firm.
- [3] Rosenthal and Zaretsky were the subject of a separate proceeding before the Discipline Committee flowing from a complaint made by EB (“EB Proceedings”). It culminated in findings of professional misconduct on April 30, 2025. Consequently, their respective memberships in CPA Ontario were revoked on October 1, 2025.

## **II. THE COMPLAINTS AND THE ALLEGATIONS**

- [4] The Allegations stemmed from complaints made by BV and MP, former clients of Rosenthal and RZN LLP, who alleged that the Respondents exploited their position of trust to solicit money from them. Based on Rosenthal’s promises of high-return investments guaranteed by RZN in trust, BV and MP provided funds totaling \$550,000 to RZN. To date, BV and MP have not been paid their principal and interest as promised. It is also alleged that the Respondents did not cooperate with CPA Ontario’s investigation into BV and MP’s complaints. On a preliminary motion brought by the PCC, the Panel made an order for the Allegations against each of the Respondents to be consolidated and heard together.
- [5] There are five allegations made by the PCC against Rosenthal, which can be summarized as follows:
1. From January 18, 2025 to April 30, 2025, Rosenthal failed to co-operate with the regulatory processes of CPA in that he failed to (a) attend an interview; (b) reply to CPA Ontario’s communications; and (c) promptly produce required documents.
  2. From June 1, 2023 to April 30, 2025, Rosenthal failed to conduct himself in a manner which maintains the good reputation of the profession and serves the public interest in that he (a) offered investment services through RZN to MP and BV; (b) converted funds, intended for investment purposes, to his personal use; (c) offered promissory notes, containing the unauthorized signature of MZ, to solicit funds; (d) failed to repay MP and BV in accordance with the terms of their investments and/or promissory notes; and (d) sought the withdrawal of a complaint to CPA Ontario as a pre-condition to repayment of one of BV’s investments.
  3. From June 1, 2023 to April 30, 2025, Rosenthal made false or misleading statements in that he (a) falsely represented to CPA Ontario that one of BV’s investments was a corporate share purchase option, and (b) submitted documentation to CPA Ontario which falsely represented a corporate share purchase by BV and a subsequent sale of said shares.
  4. From June 1, 2023 to April 30, 2025, Rosenthal failed to properly document and administer BV and MP’s investment funds in that he (a) directed the comingling of the BV and MP’s funds with RZN’s general accounts; (b) directed the comingling of designated trust funds with RZN’s general accounts; (c) converted BV and MP’s funds for his personal use; (d) failed to document and retain appropriate records of BV and

MP's investments and promissory notes; (e) failed to repay BV and MP in accordance with the terms of their investments.

5. From June 1, 2023 to April 30, 2025, Rosenthal 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 professional services in that he failed to produce and retain documents related to BV and MP's payments to RZN.

[6] There are four allegations made by the PCC against Zaretsky, which can be summarized as follows:

1. From January 16, 2025 to April 30, 2025, Zaretsky failed to co-operate with the regulatory processes of CPA Ontario in that he failed to (a) reply to CPA Ontario's communications, and (b) promptly produce required documents.
2. From June 1, 2023 to April 30, 2025, Zaretsky failed to act in a manner which maintains the good reputation of the professional and serves the public interest in that he failed to (a) monitor and/or control Rosenthal's personal use of RZN's financial accounts, and (b) appropriately record transactions and track interest of RZN's financial accounts in RZN's accounting records.
3. From June 1, 2023 to April 30, 2025, Zaretsky allowed his professional or business judgment to be compromised by bias, conflict of interest or undue influence in that he knew of and acquiesced to Rosenthal's (a) acceptance of monies from BV and MP for investment purposes and passed such monies through RZN's bank accounts; (b) use of BV and MP's funds, intended for investment purposes, for his personal use; and (c) commingling of trust monies in RZN's general bank account.
4. From June 1, 2023 to April 30, 2025, Zaretsky failed to maintain records to properly account for third parties' money or property held by RZN in that he failed to (a) distinguish each client's funds from those of other clients or RZN's funds, and (b) establish appropriate safeguards and controls over the receipt and disbursement of RZN's trust accounts.

[7] The two allegations made by the PCC against RZN are as follows:

1. From January 18, 2025 to April 30, 2025, RZN failed to act at all times with courtesy and respect and in a manner which maintains the good reputation of the professional and serves the public interest in that it failed to (a) monitor and/or control Rosenthal's use of its financial accounts for personal investment purposes; and (b) appropriately record transactions and track interest in its financial accounts and accounting records.
2. From June 1, 2023 to April 30, 2025, RZN failed to establish, maintain and uphold appropriate policies and procedures to ensure that its partners complied with the Code in that it failed to (a) appropriate measures to ensure its financial accounts were not used for personal purposes; and (b) maintain a member representative or to institute appropriate measures to require its partners and employees, at all times, to act in compliance with the requirements and objectives of the Code; and (c) institute

appropriate measures to restrict the use of its trust accounts to appropriate trust agreement transactions.

### **III. PRELIMINARY ISSUE**

#### *Proceeding in the Respondents' Absence*

- [8] The hearing of the Allegations was initially scheduled to take place on October 6 and 7, 2025. It was rescheduled to October 17, 20, and 21, 2025 at the Respondents' request, which the PCC obliged.
- [9] Despite the rescheduling of the hearing to accommodate the Respondents, they did not attend, nor did they have a representative attend on their behalf.
- [10] On October 16, 2025, a day before the scheduled start of the hearing, Rosenthal advised the Tribunals Office by email that he would not be attending as his attendance "has no utility" (Exhibit 1). He confirmed the same in an email to the Tribunals Office the next morning (Exhibit 3).
- [11] To proceed in the Respondents' absence, the Panel had to be satisfied that they received proper notice of the Allegations and of the hearing. Based on the Affidavit of Alyssa G. Girardi, affirmed October 15, 2025 (Exhibit 2) ("Girardi Affidavit") that was filed by the PCC, the Panel was satisfied that the Respondents had been given proper notice.
- [12] Based on the Girardi affidavit, the Panel was satisfied that the Respondents were served with the Allegations on May 22-23, 2025. The Panel was also satisfied that the Respondents were served with a Notice of Hearing for this matter on August 22, 2025, stating that the hearing was scheduled to proceed on October 17, 2025, by videoconference. The Notice of Hearing advised that if the Respondents did not attend the hearing, the Discipline Committee may proceed in their absence. Rosenthal's emails to the Tribunals Office on October 15 and 16, 2025, further assured the Panel that he had notice and simply chose not to attend.
- [13] Accordingly, the hearing proceeded in the Respondents' absence.
- [14] The Panel announced its findings on conduct on October 21, 2025, after which it heard submissions from the PCC on sanction, and reserved its decision. The written Decision and Order was issued on October 21, 2025.

### **IV. ISSUES**

- [15] The overarching issues for the Panel's determination are:
  - A. Does the evidence prove, on a balance of probabilities, the facts on which the Allegations by the PCC are based? If these facts are proven, do they establish that the Respondents engaged in professional misconduct?
  - B. If professional misconduct is found, what is the appropriate sanction?
- [16] Two issues arose under the umbrella of Issue (A): similar fact evidence and the meaning of

“professional services” in the Code. The Panel addresses these two issues in separate subsections of the analysis below.

## V. ISSUE (A): DECISION ON CONDUCT

- [17] With respect to Rosenthal, the Panel found that the evidence established, on a balance of probabilities, the facts set out in Allegations 1(a), (b), and (c), 2(a), (d), and (e), 3(a) and (b), 4(d) and (e), and 5, as referenced in paragraph 5 above. The Panel is satisfied that breaches of Rules 104, 201.1, 205, 212.1 and 218 of the Code have been made out, and that having breached these Rules, Rosenthal committed professional misconduct.
- [18] With respect to Zaretsky, the Panel found that the evidence established, on a balance of probabilities, the facts set out in Allegations 1(a) and (b), 2(a) and (b), 3(a), and 4(a) and (b), as referenced in paragraph 6 above. The Panel is satisfied that breaches of Rules 104, 201.1, 202.2, and 212 of the Code have been made out and that having breached these Rules, Zaretsky committed professional misconduct.
- [19] With respect to RZN, the Panel found that the evidence established, on a balance of probabilities, the facts set out in Allegations 1(a) and (b), 2(a), (b) and (c), as referenced in paragraph 7 above. The Panel is satisfied that breaches of Rules 201.1 and 502 of the Code have been made out and that having breached these Rules, RZN committed professional misconduct.

## VI. REASONS FOR THE DECISION ON MISCONDUCT

### *Assessing the Evidence*

- [20] The onus is on the PCC to prove, on a balance of probabilities, that the Respondents engaged in professional misconduct as alleged.
- [21] The PCC called three witnesses to testify: BV, MP, and CPA Ontario investigator Rand Abdulnour (“Abdulnour”). Determining whether the alleged misconduct has been made out requires this Panel to assess the credibility and reliability of the witnesses. Credibility describes the honesty, sincerity, or veracity of a witness—whether their story carries conviction of the truth. As explained in *Faryna v. Chorny*, 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.”<sup>1</sup> Reliability concerns the other factors that can influence the accuracy of testimony, such as the witness’s ability to observe, recall, and recount events in issue.
- [22] The Panel found the three witnesses who testified to be credible and their evidence reliable. This is despite the fact that BV had not been forthright with CPA Ontario at one point: as further described below, after filing his complaint, he advised CPA Ontario that it was submitted in error when that was not the case. He explained why he did this during his testimony: he was told by Rosenthal that he had to withdraw his complaint in order to be

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<sup>1</sup> *Faryna v. Chorny*, [1951 CanLII 252 \(BC CA\)](#), [1952] 2 D.L.R. 354 (B.C.C.A.), at p. 357.

repaid and he wanted his money back. His explanation made sense in that it is logical and plausible and is consistent with the payment he received on the same day that he attempted to withdraw his complaint. With regards to MP, when he took the stand, he appeared to have misremembered when the payments from RZN stopped and in turn the total amount he was paid. However, the amount is clearly established by the bank records he provided to CPA Ontario during the course of the investigation, and does not diminish the reliability of his evidence on important points. On the whole, the witnesses' testimonies were supported by documentary evidence including emails, text messages, and bank records.

- [23] The Respondents' decision to not participate in the hearing deprived the Panel of hearing directly from Rosenthal and Zaretsky. That said, the Panel did have the benefit of Rosenthal and Zaretsky's written correspondence with CPA Ontario during the complaints and investigation process, which were entered into evidence and confirmed by Abdulnour during her testimony.

### *Facts As Found by the Panel*

#### BV and MP's Relationship with Rosenthal Leading up to the Investments

- [24] BV and MP testified that Rosenthal and RZN were first retained in 2019 to provide accounting services to a company that they co-founded and owned, MIS Inc. BV was the COO of MIS Inc. while MP was its CEO. Over time, as Rosenthal gained BV's and MP's trust and as MIS Inc.'s operations expanded, Rosenthal and RZN were engaged for advisory work and to provide accounting services to BV, MP and MP's spouse personally as well as for other companies that they had. According to BV, RW, the third partner of RZN, prepared personal tax returns for him, MP and another business partner.
- [25] BV described Rosenthal as a charismatic, likeable individual who came across as knowledgeable and experienced. They met for lunch from time to time and developed a "good business and personal relationship." He considered Rosenthal to be a "friend". Rosenthal offered BV and MP tickets to sports games. MP testified that he met with Rosenthal on a monthly basis before the sale of MIS Inc. and spoke with him once or twice a week in addition to the monthly meetings after the sale. He testified that "I had utmost faith and trust in John."
- [26] At no time before the sale of MIS Inc. did Rosenthal bring up the idea of investing through RZN with BV and MP.
- [27] BV and MP never met Zaretsky during the alleged period of misconduct, though they knew him to be Rosenthal's partner at RZN. In September 2025, Zaretsky filed for bankruptcy. BV and MP are both listed as unsecured creditors on the bankruptcy records (Tab 1, Exhibit 6). Their first real-time contact with Zaretsky was during the creditors' meeting in the bankruptcy proceeding.

## BV's Investments and Complaint to CPA Ontario

### *BV Investment #1*

- [28] On June 1, 2023, BV and MP sold MIS Inc. Rosenthal assisted with the transaction including preparing the financial documents for due diligence and advising on the tax implications of the sale. The sale left BV and MP “flushed with cash”, in BV’s words. Rosenthal, being their accountant and given his involvement in the sale, was fully aware of their newly gained wealth.
- [29] Shortly after the sale, Rosenthal began to pitch investment opportunities available through RZN to BV and MP separately.
- [30] BV testified that between June 2023 and March 2024, he paid a total of \$380,000 to RZN to participate in three investment opportunities that Rosenthal had pitched to him.
- [31] The first investment opportunity that Rosenthal presented to BV involved a first charge over a townhouse construction project in the Niagara region, with a principal amount of \$620,000 that was going to be backed by a promissory note. As Rosenthal confirmed in an email to BV dated June 26, 2023, BV could invest between \$100,000 and up to \$200,000 for either an interest rate of 12.35% per annum with no guarantees or an interest rate of 10.35% with RZN LLP in trust guaranteeing the investment. The principal and interest would come due on July 1, 2024. Rosenthal’s email noted that he and Zaretsky would be investing their own money: “Mark and I want a \$400k minimum of the \$620k.... I will advance what you do not want to invest”. If BV wanted to participate, funds had “to be advanced to RZN, LLP in Trust by June 29, 2023, 2 pm.” The email attached instructions for wiring funds to RZN’s trust account and importantly, was signed off with: “John M Rosenthal, CPA, CA, LPA RZN, LLP in Trust, Trustee” [emphasis original].
- [32] As BV testified, the fact that he was asked to wire the funds to RZN’s trust account, rather than Rosenthal’s personal account, gave him assurance that RZN was guaranteeing the investment. He did not seek independent advice nor did he ask Rosenthal for details about the borrower because he trusted Rosenthal. As he put it, “if it was someone off the street, I would have done more due diligence.”
- [33] On June 28, 2023, BV agreed to invest \$200,000 for an interest rate of 10.35% and guaranteed by RZN, LLP in Trust (“BV Investment #1”). The funds were provided in two tranches. On June 28, 2023, BV paid \$100,000 to RZN’s trust account. On June 29, 2023, BV paid another \$100,000 to RZN’s trust account.
- [34] On July 12, 2023, BV emailed Rosenthal seeking documentation for BV Investment #1. Rosenthal responded to say it would be provided “early next week”. No such documentation was provided. BV followed up on November 21, 2023 and June 24, 2024. He received no response.
- [35] BV never received the promissory note that Rosenthal promised for BV Investment #1.

### *BV Investment #2*

- [36] In October 2023, Rosenthal approached BV with another private mortgage opportunity which had two options: a higher interest rate option with no guarantee, and a lower interest rate option with a guarantee. Unlike BV Investment #1, Rosenthal told him that interest would be paid monthly.
- [37] With his trust and confidence in Rosenthal still high at this point, BV agreed to invest \$100,000, at the secured lower interest rate option (“BV Investment #2”). On October 25, 2023, he wire-transferred \$100,000 to RZN in trust. BV received from Rosenthal a signed promissory note dated October 16, 2023, attaching a loan amortization schedule. The terms of BV Investment #2 are set out in the promissory note, which states:

For Value Received, the undersigned RZN, LLP IN TRUST, JOHN ROSENTHAL, MARK ZARETSKY jointly and severally, the makers hereof of this promissory note; hereby promises to pay to the order of [BV], the Lender, the principal sum of ONE HUNDRED THOUSAND DOLLARS (Cdn. \$100,000.00) of lawful money in Canada plus interest to be accrued on the outstanding principal amount at 10.75 per cent with an interest rate of 10.75% to be paid in equal monthly payments of \$6,040. The outstanding principal amount and accrued interest is [sic] due on April 16, 2025.

- [38] The promissory note contains Rosenthal’s signature, a signature above Zaretsky’s name, and Rosenthal’s signature and Zaretsky’s signature above the signature line for “RZN, LLP IN TRUST.”
- [39] Based on the amortization schedule attached to the promissory note, BV expected to receive 18 monthly interest payments of equal value to be paid on the 16th of each month. Between December 18, 2023 and October 19, 2024, he received ten payments of approximately \$6,022.50 each. To date, he has not received the remaining interest payments, nor his principal. He has no idea where the money paid to RZN has gone.

### *BV Investment #3*

- [40] In February 2024, Rosenthal presented BV with an investment opportunity that came with upfront interest payment: what was described as “envelope” in Rosenthal’s emails to him on February 26 and 27, 2024, to be filled with cash. BV testified that he was told he could invest either \$80,000 or \$120,000, and the borrower was a developer. The exact terms of the investment were not reduced to writing, but from what BV recalls, this opportunity as presented to him was similar to the previous ones that Rosenthal had pitched—a 12–18-month term, with different interest rate options, the lower interest rate option being guaranteed by RZN—with the exception that interest would be paid up front. He was provided with an amortization schedule breaking down the interest charges for different principal amounts.
- [41] At this point, BV still had confidence in Rosenthal as he was receiving interest payments on

BV Investment #2 and payment on BV Investment #1 had yet to come due. Based on Rosenthal's pitch, he agreed to invest \$80,000 ("BV Investment #3"). On March 1, 2024, BV paid \$80,000 to RZN in trust.

- [42] BV received an e-transfer of \$5,935.01 for the upfront interest payment on May 10, 2024. According to BV, Rosenthal elected to send an e-transfer instead of giving him cash in an envelope. To date, BV has not been repaid the principal on BV Investment #3.

#### *BV Files Complaint with CPA Ontario*

- [43] Not long after receiving the upfront interest payment on BV Investment #3, Rosenthal became unresponsive.
- [44] On July 1, 2024, the principal and accrued interest on BV Investment #1 came due. BV did not receive payment.
- [45] Between June 24 and July 6, 2024, BV made calls to RZN's office and spoke with RW to inquire about the investments, and was advised that RW would talk to Rosenthal.
- [46] On July 6, 2024, BV filed a complaint against Rosenthal with CPA Ontario. At some point, he also filed a complaint against Rosenthal with the Ontario Securities Commission.
- [47] To date, BV has not received full payment of the principal amount and the interest payments on his three investments.

#### *Rosenthal Provides CPA Ontario with False Information*

- [48] Shortly after filing his complaint to CPA Ontario on July 6, 2024, BV was told by Rosenthal that if he wanted to be paid his principal and interest on BV Investment #1, he would have to withdraw his complaint and go along with a narrative about buying shares in a lobster business in order to make CPA Ontario's investigation go away. Rosenthal presented BV with a share purchase agreement backdated to June 21, 2023 to sign. The share purchase agreement states that Rosenthal agreed to sell BV 20 common shares in JI Inc. for \$200,000 payable on June 30, 2023. Thinking that he had no other option if he wanted to get his money, he signed the backdated agreement and agreed to withdraw his complaint. As he subsequently indicated in his email to Abdunour on January 21, 2025, and reiterated during his testimony, the share purchase agreement is a fictitious document that Rosenthal had him sign.
- [49] On July 10, 2024, several days after BV signed the share purchase agreement, he received a wire transfer of \$199,974.50 as repayment of his principal in BV Investment #1. On the same day, Rosenthal emailed BV, copying RW and Zaretsky, confirming the repayment and apologizing for the slight delay.
- [50] On July 16, 2024, BV wrote to Standards Enforcement at CPA Ontario ("SE") to advise that his complaint was submitted in error and he would like to withdraw it. On the same day, he received an e-transfer of \$21,226.00 from RZN, which was the interest amount on BV Investment #1. On July 23, 2024, BV emailed SE again that he was withdrawing the

complaint.

- [51] Rosenthal's letter to SE dated August 7, 2024 set out his response to BV's complaint, and attached a copy of the share purchase agreement. His letter sets out the story about the lobster business that he had told BV to go along with, with additional details added. BV testified that none of the following parts of the letter were true:

[BV] agreed to the project of exporting the frozen seafood and other food products to China ("seafood business"), as [BV] has 'expert' knowledge in foreign freight insurance matters. Accordingly, [BV] purchased, from me, via a share option agreement, a 20% interest in [JI Inc.], on June 21, 2023, for Cdn.\$200,000 (2 wire transfers of \$100,000 each), which he transferred to the bank account of RZN, LLP, versus my personal account.

...

To ensure [BV]'s capital was at less risk than my risk, [BV] actually acquired a share option that could be converted within a year to 20% of the issued common share capital of this Corporation, [JI Inc.], or repaid. Accordingly, upon and after this share conversion, [BV] would own 20%

Other shareholders 10%

John Rosenthal 70% (currently 90%)

...

The actual date of repayment in full of the \$200,000 cash took place on July 10, 2023. [BV] additionally felt he was entitled to a return on this \$200,000, and that was repaid after negotiation, in the amount of \$21,226, on July 16, 2023.

...

Regardless of the issues presented to [BV] in his letter to you, he obtained independent legal and financial advice with respect to investing in [JI Inc.].

- [52] On January 17, 2025, Rosenthal sent Abdunour a package of corporate documents purportedly related to JI Inc., including the above mentioned share purchase agreement, a share certificate dated May 20, 2020, showing Rosenthal to be the owner of 100 common shares, a share certificate dated June 30, 2023, showing BV to be the owner of 20 common shares transferred from Rosenthal, a stock transfer register and shareholders' ledger showing the same. BV was shown these documents during his testimony. He denied having seen them before, except for the share purchase agreement, and denied the accuracy of the information reflected on these documents.

- [53] Some of the documents provided by Rosenthal on January 17, 2025, were obviously redacted and appeared to be doctored. For example, Rosenthal provided a bank statement ending August 31, 2023, which shows an ABM deposit of \$200,000 on August 15, 2023 in RZN's trust account. He also provided a bank statement for RZN's trust account for the period ending July 31, 2024, showing a wire payment to BV of \$199,992 on a date that is not shown, though based on the fact that this was a July 2024 statement, it was in that month. The information reflected on these bank statements does not align with the dates on the banking records from BV. Crucially, it does not even align with Rosenthal's own timeline as set out in his response to SE on August 3, 2024. In Rosenthal's response to SE, as excerpted above,

he stated that “repayment in full of the \$200,000 cash took place on July 10, 2023.” Moreover, the allocation of shares reflected on share certificates and ledgers that Rosenthal provided does not match the share breakdown outlined in his response to SE. In short, Rosenthal’s response is internally inconsistent—a lie that he could not hold up with his manufactured documents.

### *Rosenthal Counsels BV to Ignore CPA Ontario*

- [54] After filing his complaint, BV continued to make demands on Rosenthal in regard to the outstanding amounts on his investments. His relationship with Rosenthal was “fracturing”, as he put it, as the excuses Rosenthal gave (e.g., of being out of the country for medical treatments, that funds are forthcoming) became more elaborate as time passed.
- [55] The text exchanges between BV and Rosenthal from December 2024 to January 2025 bear out their fracturing relationship. They show BV demanding repayment in a progressively frustrated tone as Rosenthal attempted to buy time and curry sympathy. The text exchange on December 19, 2024, gives a flavour:

Rosenthal: I’m fucked. They want to expelled me for sure. Kucey is the lawyer. I met yesterday to settle the [EB] matter and then this was brought up.

BV: I’m sure it can be resolved. The OSC is really on me to open an investigation as well so I really want to get this resolved between us so I can move on from this. [MP] is of the same opinion so I think we need to resolve this by the end of the week otherwise we’re both going to launch a claim and open up these investigations. We keep getting excuses from you on the repayment.

Rosenthal: I don’t even know what the OSC wants. There was no land investment, just investment in the lobster business. I want to resolve it too. A claim will just make it worse for me and not assist in funding you too. I’m working on getting funds to you from other than my business or personal accounts. No records is best. I’m really fucked if they notify bmo.

- [56] Rosenthal also advised BV in his text messages to not cooperate with CPA Ontario. He wrote on January 9, 2025: “As to cpa ontario, you have no obligation to reply.” Later that day, he wrote: “As to cpa Ontario, you , if you prefer, can advise you have no intention to be involved, or be silent.”

### MP’s Investments and Complaint to CPA Ontario

#### *MP Investment #1*

- [57] As with BV, MP testified that Rosenthal never approached him to invest before the sale of MI Inc. in June 2023. After the sale, Rosenthal asked MP what he was planning to do with the

sale proceeds and advised that he had high-interest mortgage investments on construction projects that he might be interested in. MP was told that he would be investing with a pool of investors. He was presented with a couple of interest rate options, with the higher interest rate option being unsecured and the lower interest rate option being secured by RZN's guarantee.

- [58] On October 2, 2023, after they had spoken on the phone about the opportunity, Rosenthal sent MP an unsigned promissory note with a cover email stating: "See attached. If you prefer the 'direct' interest rate would be 11.93% but no RZN, LLP guarantee as per attached.". The unsigned promissory note sets out the terms of the investment at the lower interest rate secured option:

FOR VALUE RECEIVED, the undersigned, **RZN, LLP IN TRUST**, JOHN ROSENTHAL and MARK ZARETSKY, jointly and severally, the makers hereof of this promissory note; hereby promises to pay to the order of **[MP]**, the Lender, the principal sum of ONE HUNDRED FIFTY THOUSAND DOLLARS (Cdn. \$150,000.00) of lawful money in Canada plus interest to be accrued on the outstanding principal amount at 10.75 per cent per annum, compounded quarterly, and payable in equal quarter-annual payments of Cdn. 21,088.00. The outstanding principal amount and accrued interest is due on November 1, 2025. The undersigned shall be entitled at any time to times to prepay the whole or part of the principal sum hereby secured, without notice or bonus.

- [59] In addition to these terms, MP understood he would be paid a monthly amount on account of principal and interest by mid-month of every month over 12 months.
- [60] On October 3, 2023, Rosenthal sent MP a follow-up email that indicated time-sensitivity to the opportunity: "Did you review the \$150k ( or \$100k) project? We are going to close today/tomorrow."
- [61] MP decided to invest \$100,000 with RZN as guarantor and an interest rate return of 10.75%. He trusted that with RZN's guarantee there would not be any issue with the investment ("MP Investment #1"). MP testified that given Rosenthal's reputation in the landlord community and his having handled difficult and complex situations for MP, he had "utmost trust in John" and did not inquire as to the identity of the other investors. At Rosenthal's direction to transfer the funds to RZN LLP in trust, MP did so on November 21, 2023. He was told that the service fee of \$350, which was deducted from the \$100,000 he wired, would be covered by the borrower.
- [62] Between December 22, 2023, and June 24, 2024, MP received seven payments on MP Investment #1, the first payment being \$6,518 and the rest \$7,193 each. While the payments did not come in on the same date each month and MP had to remind Rosenthal to pay, they came in nonetheless on a monthly basis until they ceased. This is reflected in the payment schedule he received from Rosenthal on or around July 12, 2024 after pressuring him about payments. The payment schedule reflected both MP Investment #1 and MP Investment #2 (defined below).

## *MP Investment #2*

- [63] In December 2023, Rosenthal presented MP with another investment opportunity that was similar to the first, namely, a short-term, high-interest loan for a construction/renovation project. On December 21, 2023, Rosenthal emailed MP a loan amortization schedule which outlined different payouts depending on the amount invested.
- [64] On December 26, 2023, Rosenthal followed up with MP by email stating:
- We just agreed to fund a short term , high interest 10.75% per annum.  
Only **12** months for fast pay out.  
The Borrower can repay earlier if he closes earlier ( which I doubt ) for a 2.1% prepayment penalty.  
The total is **\$375k**.  
You can fund **\$75k** to **\$100k** only. I took the rest.  
Immediate. Funding to close before the weekend.  
Please advise.
- [65] Rosenthal followed up again on December 29, 2023: “Did you decide on the second investment of \$75k. ? Short term and good rate.”
- [66] Having recently received payments on MP Investment #1, despite the second payment being delayed(for which Rosenthal had offered an explanation), MP still had a high level of trust in Rosenthal and agreed to invest. On February 13, 2024, MP transferred \$75,000 to RZN in trust (“MP Investment #2”).

## *MP Files Complaints with CPA Ontario*

- [67] Not long after advancing funds for MP Investment #2, MP began to have concerns about the legitimacy of the investments. He was expecting to get his first payment on MP Investment #2 on March 13, 2024, but it never came. Came April 13, 2024 and May 13, 2024, when the next payments were due, he was not paid.
- [68] On May 13, 2024, MP emailed Rosenthal to inquire about missed payments and to request a statement of accounts.
- [69] Having received no response, on May 15, 2024, MP emailed Rosenthal again, this time copying DL, another accountant at RZN: “To date I have received only 4 transfers and I would really appreciate you providing me a statement of account and when the other payments are going to be made. Daniel is this something you can handle for me if John is away?” Rosenthal responded to indicate that he was away, was getting the paperwork together and two payments were forthcoming.
- [70] No payment was made, however, until July 2024.
- [71] In early summer 2024, MP and BV discussed their concerns about the status of their respective investments. At that point, BV’s principal on BV Investment #1 had come due and Rosenthal had been either avoiding him or making excuses as to why it was not repaid. MP

and BV tried to contact the other partners at RZN, Zaretsky and RW, as well as staff. They could not get any substantive response as to what happened with their investments which was troubling since the funds were supposed to be guaranteed by RZN.

- [72] Unlike BV, who filed a complaint in July 2024, MP did not do so until January 2025. MP was still receiving some payments from RZN between July 6 and November 1, 2024. Rosenthal told him that he would be fully repaid by December 2024, and asked him to be patient. MP waited until the end of the year. He did not receive full repayment.
- [73] On January 10, 2025, MP filed complaints against Rosenthal, Zaretsky and RZN with CPA Ontario.
- [74] To date, MP has not received full payment of the principal amount and the interest payments on his investments.

#### CPA Ontario's Investigations

- [75] Abdulnour was appointed to investigate BV's complaint on December 18, 2024. She was appointed to investigate MP's complaints on January 27, 2025. Abdulnour also investigated Rosenthal's and Zaretsky's conduct that led to the EB Proceedings and had testified in those proceedings.

#### *Rosenthal Failed to Fully Cooperate with CPA Ontario's Investigations*

- [76] On December 20, 2024, Abdulnour informed Rosenthal by email of her appointment as investigator in relation to BV's complaint (Tab 14, Exhibit 6).
- [77] On January 2, 2025, Abdulnour sent Rosenthal a list of requested documents to be provided by January 17, 2025. The documents requested include all correspondence with BV relating to JI Inc.; and bank statements relating to the deposit, use, and repayment of BV's funds; corporate documents for JI Inc.; and financial statements and corporate tax returns for JI Inc. from June 1, 2023 to July 1, 2024 (Tab 15, Exhibit 6). Abdulnour took the occasion to remind Rosenthal of his obligation to cooperate with CPA Ontario's investigation under Rule 104 of the Code.
- [78] On January 17, 2025, Rosenthal sent Abdulnour a number of documents. As Abdulnour explained in her testimony, what was provided did not include all the documents she had requested.
- [79] In her email dated January 21, 2025, Abdulnour informed Rosenthal that the disclosure he provided was inadequate. She listed what was outstanding and requested that it be provided the next day. Rosenthal did not respond. He did not respond to Abdulnour's follow-ups on January 23, 2025, January 27, 2025, and January 30, 2025. Abdulnour tried to schedule an interview with Rosenthal on January 30, 2025, but never received a response to that request either.
- [80] Abdulnour was appointed to investigate MP's complaints on January 27, 2025. After she was appointed, she noticed that Rosenthal had failed to respond to SE's letter dated January 15,

2025, which requested documentation with respect to the MP matter to be provided by January 29, 2025.

- [81] On February 11, 2025, Abdulnour sent Rosenthal an email addressing both MP's and BV's complaints. By this point, she had not heard from Rosenthal for nearly a month (since January 17, 2025), despite repeated follow-ups. In her email, she asked that outstanding documentation relating to BV's complaint and a response to SE's letter relating to MP's complaint be provided by February 14, 2025. She also sought to set up an interview with him for both matters. The email explicitly reminded Rosenthal of his obligation to cooperate under Rule 104. Rosenthal never responded.

*Zaretsky Failed to Fully Cooperate with CPA Ontario's Investigations*

- [82] On February 11, 2025, Abdulnour emailed Zaretsky to advise that she was the investigator appointed in relation to MP's complaints against him personally and against RZN. In her email, Abdulnour attached a copy of SE's letter dated January 15, 2025 to Zaretsky (Tab 16, Exhibit 6), to which Zaretsky had not responded by the stated deadline of January 29, 2025, and asked that a response be provided by February 14, 2025. Abdulnour also sought to set up an interview with Zaretsky for either March 3 or 4, 2025, and asked him to indicate his availability by February 14, 2025. The email explicitly reminded Zaretsky of his obligation to cooperate under Rule 104.
- [83] Abdulnour did not receive a response from Zaretsky. On February 20, 2025, she followed up and gave a new deadline of February 24, 2025. Her email reminded Zaretsky again of his obligation to cooperate under Rule 104.
- [84] On February 24, 2025, Zaretsky emailed Abdulnour to acknowledge her email and to advise:
- i am not aware of either of these matters as they are private  
arrangements between Mr Rosenthal and the complainant  
also please be advised that i have not been the managing partner  
of the firm since may 2023
- [85] Zaretsky's email to Abdulnour contained a forward of an email that Zaretsky had sent to Rosenthal on February 20, 2025, stating "...is this [MP]? I thought you dealt with this".
- [86] On March 5, 2025, Abdulnour emailed Zaretsky asking him for his availability for an interview on either March 11 or 12, 2025. Abdulnour also advised Zaretsky that he was still listed as the senior officer and contact for RZN in CPA Ontario's records, despite his claim that he had not been managing partner since May 2023. She stated that if there had been a change, he was required to make that change officially through CPA Ontario. Abdulnour and Zaretsky exchanged several emails subsequently and an interview was scheduled for March 11, 2025.
- [87] Abdulnour testified that during her interview of Zaretsky, Zaretsky told her that the MP matter was "all news to him". As Abdulnour testified, his claimed lack of awareness was not plausible in the face of his above-noted email to Rosenthal on February 20, 2025.
- [88] Following the interview, Abdulnour requested Zaretsky to provide documents, including bank

statements for RZN's trust account by March 14, 2025 (Tab 11, Exhibit 6). She did not receive a response, and followed up with an email on March 17, 2025. On March 17, 2025, Zaretsky wrote to Abdulnour to advise that Rosenthal would be providing the requested documentation. Abdulnour responded the same day, reminding him that he had said during the interview that he had online banking access and access to all RZN client documents.

[89] Zaretsky never provided Abdulnour with any of the documents requested.

#### *Similar Fact Evidence*

[90] The PCC urged the Panel to accept similar fact evidence from Abdulnour to the effect that the Respondents had acted similarly with EB as they did with BV and MP: namely, gaining and then abusing their trust to solicit funds for investments supposedly secured by RZN, providing little to no documentation, and not paying in accordance with the terms of investment.

[91] Similar fact evidence is presumptively inadmissible at common law. This has been affirmed repeatedly, including by the Supreme Court of Canada in *R. v. Handy*,<sup>2</sup> an authority relied on by the PCC. The PCC argued that in this case, the probative value of the similar fact evidence outweighs its potential for prejudice, and should be admitted on the narrow exception set out in *R. v. Handy*. The PCC further argued that the similar fact evidence of misconduct, if admitted and believed, establishes a "pattern of professional misconduct" on the part of the Respondents.

[92] In the Panel's view, it is unnecessary to consider whether the common-law exception applies such that evidence of Rosenthal and Zaretsky's dealings with EB could be received in the within proceedings. It is unnecessary because of Rule 19.07 of the *Rules of Practice and Procedure* and the findings of fact made by the Discipline Committee in the EB matter. Rule 19.07 reads:

19.07(1) Specific findings of fact contained in the reasons for decision of an adjudicative body are proof, in the absence of evidence to the contrary, of the facts so found if

(a) no appeal of the decision was taken and the time for an appeal has expired; or

(b) an appeal of the decision was taken but was dismissed or abandoned and no further appeal was taken.

19.07(2) If the findings of fact referred to in subrule (1) are with respect to an individual, subrule (1) only applies if the individual is or was a party to the proceeding giving rise to the decision.

[93] The Discipline Committee made specific findings of fact relating to the misconduct

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<sup>2</sup> *R. v. Handy*, [2002] 2 SCR 908

perpetuated by Rosenthal and Zaretsky against EB in its decision dated April 30, 2025.<sup>3</sup> Rosenthal and Zaretsky were parties to the EB Proceedings. No appeal was taken of the decision and the time for appeal has elapsed. Accordingly, pursuant to Rule 19.07, this Panel can rely on the specific findings of fact in that decision. There is no need to admit evidence relating to facts already found there on the basis of the exception set out in *R. v. Handy*.

[94] Further, and more importantly, the Allegations against Rosenthal and Zaretsky at issue here do not include that they engaged in a “pattern of professional misconduct” beyond how they conducted themselves with BV, MP and during the course of CPA Ontario’s investigations of their complaints. It is therefore unnecessary to consider findings of fact relating to their conduct vis-à-vis EB in the conduct portion of this hearing.

[95] The Panel finds that the evidence presented at the hearing, excluding any similar fact evidence, has established on a balance of probabilities that the Respondents engaged in professional misconduct in their dealings with BV and MP.

#### *Meaning of “Professional Services” in the Code*

[96] The Code requires members of CPA Ontario to provide “professional services” in a manner that complies with the standards of conduct and competence prescribed in the Code. Rules 212, 218 and 502, which Zaretsky, Rosenthal and RZN were respectively alleged to have breached, specifically address what is required of members in the course of providing “professional services.”

[97] The PCC argued that the “investment activity” carried out by Rosenthal and Zaretsky constitutes “professional service” under the Code.

[98] “Professional service” is a defined term in Code. It is defined to mean:

[A] service or activity of a member or firm, whether undertaken for remuneration or not, where the public or a professional colleague is entitled to rely on membership or registration with CPA Ontario as giving the member or firm particular competence and requiring due care, integrity and an objective state of mind. For greater certainty, in this context, the public includes, but is not limited to clients, employers and not-for-profit or other organizations.

[99] The definition of “professional service” is broad. It does not hinge on whether remuneration was provided, nor is it restricted to the practice of public accounting. The question for this Panel is: did the activities carried out by the Respondents in relation to BV and MP constitute activities where BV and MP, or the public, were entitled to rely on the Respondents’ membership or registration with CPA Ontario as giving them particular competence and requiring due care, integrity and an objective state of mind?

[100] The PCC submitted that the answer to the question is yes. It did not cite authority to support

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<sup>3</sup> *Chartered Professional Accountants of Ontario v. Rosenthal et al*, [2025 ONCPA 12](#)

its position.

[101] Independent Legal Counsel provided the Panel with the decision of *Dwek v. Chartered Professional Accountants of Ontario*, 2018 ONCPA 4, which considered the parameters of the term “professional services.” The issue in *Dwek* was whether Dwek’s functions as the Ultimate Designated Person and Chief Compliance Officer of a company were encompassed by the term. Members of the Appeal Committee were split. The majority accepted Dwek’s submission that the services he performed were not performed as professional services by a Chartered Accountant (as the designation then was). As stated in the decision, “[t]here was no evidence of a connection between the services performed and any reasonable reliance on the member’s professional designation.”<sup>4</sup> The circumstances of the services provided were not such that a member of the public would be “reasonably entitled to rely” on the member’s status as a Chartered Accountant.

[102] The Panel invited the PCC to make submissions based on *Dwek*. The PCC submitted that Dwek is distinguishable from the case at hand where there is unequivocal evidence of ongoing reliance by BV and MP on the Respondents. The PCC further adopted the position taken by Dwek before the Appeal Committee, which was that “if the services provided by a member were not *professional services*, one of three elements had to exist: there was reliance on the member’s designation; the member’s actions had caused financial harm; or, there was deceit or moral turpitude by the member.”<sup>5</sup> Here, there was evidence of reliance. There was evidence of harm to BV and MP flowing from the Respondents’ activities. There was also evidence of deceit and moral turpitude.

[103] Without necessarily agreeing with the PCC that “professional service” hinges on the presence of one or more of the three elements, this Panel is satisfied that the services provided by the Respondents to BV and MP were activities where BV and MP were reasonably entitled to rely on the Respondents’ membership status as giving them particular competence and requiring due care, integrity and objectivity. The email correspondence that Rosenthal exchanged with BV and MP regarding the investments were signed off with a signature that included the CPA designation: “John M Rosenthal, CPA, CA, LPA RZN LLP”. Funds were received and disbursed through RZN’s trust account. BV and MP gave evidence to the effect that but for RZN and its members having acted as their long-time accountants, they would not have, or would not have so readily, invested in the opportunities that Rosenthal put forward. The fact that the investments were guaranteed by what MP describes as a “reputable” accounting firm, RZN, combined with Rosenthal’s representation that he and Zaretsky had assessed the investments to be sufficiently safe and secure to put their own money in, gave BV and MP confidence. In the circumstances, the Panel is of the view that the Respondents’ activities in relation to presenting, brokering and administering the investments through RZN fell within the scope of professional services for the purposes of the Code.

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<sup>4</sup> *Dwek v. Chartered Professional Accountants of Ontario*, [2018 ONCPA 4](#) at para 37

<sup>5</sup> *Ibid* at para 9. It appears that there is a typographical error in the decision. When this statement is read in context, Dwek’s position was that if the services provided by a member were *professional services*, one of three elements had to exist: there was reliance on the member’s designation; the member’s actions had caused financial harm; or, there was deceit or moral turpitude by the member.”

## *Findings of Professional Misconduct – Rosenthal*

### Allegation 1: Rosenthal failed to cooperate contrary to Rule 104

- [104] Every member has a duty to cooperate with CPA Ontario in its investigation. This is explicitly set out in Rule 104.1 of the Code. Cooperation with the complaint and investigation process is fundamental to maintaining public confidence in our self-governing profession and in the regulator. The public must be able to trust that complaints will be taken seriously by the regulator, and in turn, that the investigations into complaints will be meaningful and taken seriously by members.<sup>6</sup>
- [105] The duty to cooperate is substantive.<sup>7</sup> It does not merely require members to acknowledge correspondence from CPA Ontario. Rather, it requires members to provide information and documents, and present themselves for interview when requested by CPA Ontario.
- [106] Not only does failure to respond substantively and promptly amount to lack of cooperation, according to the Guidance to Rule 104, lack of cooperation also includes “attempts to delay, mislead or misdirect CPA Ontario by concealing relevant information, providing false, incomplete or misleading statements or information, failing to respond to communications or otherwise obstructing the regulatory processes of CPA Ontario.”
- [107] Rosenthal clearly lapsed in his duty to cooperate. Correspondence from SE and later, Abdulnour, to Rosenthal made very clear the information and documents required from him. Notwithstanding repeated follow-ups, and reminders of his duty to cooperate under Rule 104, Rosenthal did not produce all of the materials requested in relation to BV’s complaint. He did not respond at all to the SE and Abdulnour’s request in relation to MP’s complaint.
- [108] Apart from his failures to provide a full substantive response, Rosenthal actively obstructed the complaint and investigation process by asking BV to withdraw his complaint and counseling BV to ignore CPA Ontario. Further, he attempted to mislead CPA Ontario as to the circumstances under which BV advanced funds. He presented SE and Abdulnour with a narrative of BV buying shares in a lobster business, a narrative that is far removed from the reality of what happened. To bolster his concocted tale, he submitted fabricated documents in the form of the share purchase agreement, JI Inc. share certificates, and ledgers for JI Inc., and bank statements. The information shown on the share certificates and ledgers is false; not only is it false by BV’s account, it is inconsistent with even the share breakdown outlined in Rosenthal’s own response to SE. The dates and amounts on the redacted bank statements he provided also contradict the timeline in his response and the bank records from BV.
- [109] Altogether, Rosenthal failed to reply promptly, substantively and completely—and in the final instance, to reply at all—to CPA Ontario’s communications and requests for production of documents. He also provided false, incomplete or misleading statements and information. Rosenthal’s failure to cooperate constitutes professional misconduct.

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<sup>6</sup> *Chartered Professional Accountants of Ontario v. Hametaj*, [2022 ONCPA 11](#) at para 32.

<sup>7</sup> *Chartered Professional Accountants of Ontario v. Round*, [2019 ONCPA 8](#) at para 37.

Allegation 2: Rosenthal failed to maintain the good reputation of the profession and serve the public interest contrary to Rule 201.1-

- [110] The Allegation specifies that Rosenthal failed to maintain the good reputation of the profession in (a) offering investment and lending services through RZN to MP and BV; (b) converting funds intended for investment purposes to his personal use; (c) offering promissory notes, containing the unauthorized signature of Zaretsky, to solicit over \$550,000 of investment funds; (d) failing to repay MP and BV in accordance with the terms of their investments and/or promissory notes; and (e) seeking the withdrawal of a complaint as a pre-condition to repayment of one of BV's investments. With the exception of (b) and (c), the facts alleged have been proven on a balance of probabilities as detailed in the section on factual findings.
- [111] With respect to (c), the Panel is satisfied that the evidence proved that Rosenthal had given BV, in relation to BV Investment #1, a promissory note containing what appears to be Zaretsky's signature above his name and above the signature line for RZN. That said, there is no evidence that the signature was "unauthorized" by Zaretsky as alleged by PCC.
- [112] With respect to (b), based on the facts as found, the Panel is satisfied that Rosenthal converted the funds advanced by BV and MP for investment purposes to uses unintended by BV and MP and without their consent. However, there is no evidence as to what Rosenthal did with BV's and MP's funds for the Panel to conclude that the money was directed to his personal use specifically.
- [113] Conversion of funds provided for one purpose to another purpose is extremely serious. It is misappropriation. As this Discipline Committee stated in *McWilliams* at paragraph 29, "Misappropriation is nothing more than a fancy word for theft. Mr. McWilliams stole his clients' money. They entrusted him with it for a specific purpose and he used it for quite another. This is an offence that strikes at the very heart of the chartered accountant profession. It has the potential to destroy public trust in the integrity of every member of that profession". Here, BV and MP transferred money to RZN on the understanding, formed on the basis of Rosenthal's representations, that it would be pooled with other investors' funds and lent to developers for construction projects with returns guaranteed by RZN. While it is not entirely clear what Rosenthal did with their money, it can be inferred that Rosenthal diverted it for uses other than as intended as he was unable to provide BV and MP with any documentation as to where their funds went and he could not fully repay even the principal.
- [114] There is no shortage of precedents from the Discipline Committee confirming that a member using investor's funds in a manner contrary to, or different from, what was intended amounts to a failure to maintain the good reputation of the profession.<sup>8</sup> This is so even if the member's intentions were not dishonest and the investor was not defrauded and did not suffer any financial loss.<sup>9</sup> Whether the member benefitted financially is also *nihil ad rem*.<sup>10</sup> When a member solicited funds to be invested in mortgages, the investor should be able to trust that their investment would be used only for that purpose and that their interest would be protected

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<sup>8</sup> See e.g., [Silverman](#) (1995); [Allen](#) (2000); [Sniderman](#) (2018), [Quick](#) (2011).

<sup>9</sup> *Sniderman* at para 30.

<sup>10</sup> *Allen*.

and secured as promised, such as through proper documentation and registration of charge. Betraying the trust of the investor in the member tarnishes the good reputation of the profession.

- [115] There can be no question that a regulated professional cannot attempt to have a complaint against them withdrawn as a condition of settlement or repayment. Justice Lederer explained the rationale for this in *Thompson Family Trust (Re)*:

An agreement to stifle or withdraw from a prosecution in respect of an offence of a public nature is against public policy and illegal, because the effect of it is to take the administration of justice out of the hands of the judges and to put it into the hands of a private individual to determine what is to be done in the particular case.<sup>11</sup>

- [116] The Panel finds that Rosenthal's conduct, particularly his misappropriation of BV and MP's funds and his interference with the regulatory process in making repayment conditional on BV withdrawing his complaint, constitutes conduct that failed to maintain the good reputation of the profession and serve the public interest, in breach of Rule 201.1 of the Code.

Allegation 3: Rosenthal made false or misleading representations contrary to Rule 205

- [117] Rosenthal made false and misleading representations to SE and Abdulnour as to the circumstances under which funds were advanced by BV. He asserted that the money was advanced to buy shares in a lobster business. The email exchanges he had with BV belie such assertion. Compounding his dishonesty were the fabricated JI Inc. documents he submitted to SE and Abdulnour. Though he never came clean to CPA Ontario, his ruse became apparent upon closer examination of the contents of the JI Inc. documents, which did not cohere with the narrative he put forward, nor with the redacted bank statements he provided. His actions in this regard were contrary to Rule 205 of the Code and constitutes professional misconduct.

Allegation 4: Rosenthal failed to properly document and administer funds contrary to Rule 212.1

- [118] Pursuant to Rule 212.1 of the Code, a member or firm receiving funds in trust must manage those funds in accordance with the terms of the engagement, retain records to account properly for the funds, and keep the funds in a separate trust bank account. The Guidance to Rule 212 elaborates on what is required: "records should be maintained to show clearly trust funds received, paid or held on behalf of clients, clearly distinguishing the funds of each client from those of other clients and from the member's or firm's own funds".
- [119] The Allegation specifies that Rosenthal breached Rule 212.1 in that he (a) directed the commingling of BV and MP's funds with RZN's general account; (b) directed the commingling of designated trust funds with RZN's general accounts; (c) used/converted BV and MP's funds for personal use; (d) failed to document and retain appropriate records of BV and MP's investments and promissory notes; and (e) failed to repay BV and MP in accordance with the

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<sup>11</sup> *Thompson Family Trust (Re)*, [2011 ONSC 7056](#) at para 19. See also *Chartered Professional Accountants of Ontario v. Trotter*, [2021 ONCPA 23](#).

terms of their investments.

- [120] The Panel was not presented with any evidence relating to RZN's general accounts, nor with evidence of Rosenthal directing the commingling of funds. In the absence of evidence, the Panel determines that the PCC has not established (a) and (b). As for (c), as noted above, there is insufficient evidence to show that Rosenthal converted BV and MP's funds for "personal use" specifically.
- [121] Strictly speaking, it was RZN that received the funds in trust. That said, Rosenthal had, at the outset of his engagement with BV, explicitly held himself out as a trustee of RZN: his email to BV on June 26, 2023 was signed off with "John M Rosenthal, CPA, CA, LPA RZN, LLP in Trust, Trustee" [emphasis added]. Moreover, as a partner of the firm receiving funds in trust and as the firm's point person to BV and MP regarding their investments, Rosenthal was obliged to handle and record the funds received in accordance with the terms of the respective investments, or at minimum, take steps to ensure that this was done. This obligation entails, among other things, providing BV and MP with executed promissory notes in relation to BV Investment #1 and MP Investment #1, which he failed to do. He also failed to produce records to SE and Abdulnour in the course of the investigation that indicate clearly the funds received from BV and MP and clearly distinguish them from those of other clients and from the member's or firm's own funds. There is no reasonable inference to draw other than that such records were not maintained.
- [122] Given the factual findings, the Panel concludes that Rosenthal failed to document and handle the BV and MP's trust funds in accordance with Rule 212.1. This constitutes professional misconduct.

#### Allegation 5: Rosenthal failed to retain records contrary to Rule 218

- [123] The importance of adequate and proper documentation cannot be overstated. Rule 218 requires a member to retain documentation which reasonably evidences the nature and extent of the work done in respect of any professional service.
- [124] As set out above, the Panel found that Rosenthal failed to document and appropriately retain records relating to BV's and MP's investments, and that his activity in relation to the investments falls within the scope of "professional service" as defined in the Code.
- [125] Instead of keeping proper records, Rosenthal took the approach that "[n]o records is best", as he put it in his text message to BV on December 19, 2024. His attitude is alarmingly antithetical to what Rule 218 requires. There is no question that he breached the Rule and the breach constitutes professional misconduct.

#### *Findings of Professional Misconduct – Zaretsky*

#### Allegation 1: Zaretsky failed to cooperate contrary to Rule 104

- [126] The facts section above details Zaretsky's failure to fully cooperate with CPA Ontario's investigation. Among other things, he never provided Abdulnour with any of the documents

requested. The documents requested included banking statements that were, by Zaretsky's own admission, accessible to him online. There was no reason for him not to produce them. It was not acceptable for him to respond to Abdunour by saying that Rosenthal would produce the documentation. That Rosenthal, too, has a duty to cooperate does not in any way relieve or alleviate Zaretsky's duty to cooperate, for all members must independently and fully comply with their duty to cooperate. Zaretsky's failure to do so amounted to a dereliction of his own obligation.

- [127] The Panel finds that Zaretsky's lack of full cooperation was in breach of Rule 104 and constitutes professional misconduct.

Allegation 2: Zaretsky failed to maintain the good reputation of the profession and serve the public interest contrary to Rule 201.1

- [128] The Allegation specifies that Zaretsky breached Rule 201.1 in failing to monitor and/or control his partner Rosenthal's use of RZN's accounts and to record transactions and track interest of RZN's financial accounts.

- [129] The facts on which the allegation is based have been established, as set out above. Zaretsky essentially tried to wash his hands of any responsibility in claiming lack of knowledge about Rosenthal's dealings with BV and MP when asked by Abdunour. This is unacceptable given his role as managing partner of RZN, and demonstrates his failure to monitor how RZN's accounts were being used. CPA Ontario members who occupy positions of authority within their firm, as Zaretsky did, should recognize that such positions include an obligation to positively influence record-keeping practices and ensure that safeguards and controls over receipts and disbursements of trust funds are in place at their firm so as to maintain the good reputation of the profession. Zaretsky did not live up to his obligation.

- [130] The Panel finds that Zaretsky's failure constitutes conduct which would discredit the profession, contrary to Rule 201.1, and is professional misconduct.

Allegation 3: Zaretsky allowed his judgment to be compromised contrary to Rule 202.2

- [131] The Allegation specifies that Zaretsky breached Rule 202.2 in that he knew of and acquiesced to the conduct of Rosenthal, who (a) accepted monies from BV and MP and passed such monies through RZN's bank accounts; (b) used BV and MP's funds for personal use; (c) commingled trust monies in RZN's general bank account.

- [132] As stated above, the PCC has not proved on a balance of probabilities that Rosenthal used BV and MP's funds for personal use, nor that he had commingled trust funds in RZN's general account. Accordingly, (b) and (c) are not established.

- [133] With respect to (a), as the managing partner of the RZN, Zaretsky must have known about monies passing through RZN's bank accounts. Despite Zaretsky's claim that he ceased being managing partner as of May 2023, he never took steps to update the records with CPA Ontario. Nor did he provide any documentation, contemporaneous or otherwise, indicating the end of his tenure as managing partner in 2023. Zaretsky's email to Rosenthal on February 20, 2025 (in which he wrote "is this [MP]? I thought you dealt with this") shows that he had at

least some knowledge of what was transpiring. Thus, his claim to Abdulnour at the interview on March 11, 2025, that all was news to him was not credible. More likely than not, it was an attempt to deflect responsibility.

- [134] In his role as managing partner and as one of three partners of RZN, it was incumbent on Zaretsky to question whether it was proper to allow RZN's trust account to be used for transacting investments in construction projects. He had access to RZN's bank accounts. He ought to have asked questions upon seeing deposits totaling \$550,000 in RZN's trust account. There is no evidence to suggest that he made any inquiries. In fact, the evidence noted above suggests that he knew enough about Rosenthal's conduct, or else knowingly turned a blind eye to the red flags surrounding Rosenthal's activity, and acquiesced to it. In so doing, he jeopardized his objectivity and allowed his professional or business judgment to be compromised by bias, conflict of interest and/or the undue influence of Rosenthal.
- [135] The Panel concludes that Zaretsky acted in a manner that was contrary to Rule 202.2 of the Code, constituting professional misconduct.

#### Allegation 4: Zaretsky failed to maintain records contrary to Rule 212

- [136] Rule 212 addresses the handling of trust funds, including record-keeping to account for such funds.
- [137] As managing partner, Zaretsky was responsible for the oversight of RZN's financial accounts. As set out above, he failed to establish safeguards and controls over receipts and disbursements of trust funds. With respect to the funds that BV and MP paid to RZN in trust for investment purposes, there is no indication of steps taken to distinguish their money from those of other clients or from RZN's funds. Zaretsky never produced any records in response to CPA Ontario's investigation. The Panel concluded that proper records were not maintained.
- [138] The above factual findings support the conclusion that Zaretsky failed to document and handle BV and MP's trust funds in accordance with Rule 212 of the Code, and his breach of the rule constitutes professional misconduct.

#### *Findings of Professional Misconduct – RZN*

#### Allegation 1: RZN failed to maintain the good reputation of the profession and serve the public interest contrary to Rule 201.1

- [139] Similar to Allegation #2 against Zaretsky, it alleged that RZN breached Rule 201.1 in failing to monitor and/or control Rosenthal's use of its accounts and to record transactions and track interest of its financial accounts.
- [140] Having found that its managing partner, Zaretsky, had committed such failures, this Panel similarly finds that RZN had breached Rule 201.1, and it constitutes professional misconduct.

Allegation 2: RZN failed to implement appropriate measures contrary to Rule 201.1

- [141] A firm is accountable for the lack of integrity of its members. Rule 502 of the Code specifically requires a firm to establish and maintain policies and procedures to ensure that its members and employees comply with the Code.
- [142] There was no evidence of there being any measures implemented at RZN to restrict the use of its trust account or to require its partners and employees to act in compliance with the Code. It can be reasonably inferred that none existed, or if they did on paper, that they were not properly enforced. The Panel concludes that RZN has contravened the requirements of Rule 502, which amounts to professional misconduct.

**VII. ISSUE (B): DECISION AS TO SANCTION**

- [143] After the conduct portion of the hearing concluded and the Panel rendered its decision orally on October 21, 2025, the PCC made submissions on sanction. The PCC did not call additional evidence.
- [144] As noted in the Overview section, Rosenthal and Zaretsky had their respective memberships revoked on October 1, 2025, in consequence of having been found to have engaged in professional misconduct in the EB Proceedings. The PCC submitted that the appropriate sanction for Rosenthal and Zaretsky respectively should include an order confirming their revocation accompanied by a five-year prohibition on reapplying for membership. The PCC further submitted that Rosenthal should be ordered to pay a \$100,000 fine within six months and RZN and Zaretsky should each be fined \$50,000 to be paid within six months. According to the PCC, a higher fine against Rosenthal is justified given he was the primary driver behind the solicitation and conversion of BV and MP's investment funds.
- [145] For the reasons set out below, the Panel determined that the appropriate sanction for the Respondents are as follows:
1. Rosenthal: a fine of \$100,000 to be paid by April 21, 2026; an order prohibiting him from applying for readmission to membership with CPA Ontario for five years (i.e., until October 21, 2030); and an order that notice of the Panel's Decision and Order be given to all members of CPA Ontario, all provincial bodies and the public, and be published in the *Globe and Mail* newspaper, with the costs of publication to be borne by Rosenthal.
  2. Zaretsky: a fine of \$50,000 to be paid by April 21, 2026; an order prohibiting him from applying for readmission to membership with CPA Ontario for five years (i.e., until October 21, 2030); and an order that notice of the Panel's Decision and Order be given to all members of CPA Ontario, all provincial bodies and the public, and be published in the *Globe and Mail* newspaper, with the costs of publication to be borne by Zaretsky, with the costs of publication to be borne by Zaretsky.
  3. RZN: a fine of \$50,000 to be paid by April 21, 2026, and an order that notice of the Panel's Decision and Order be given to all members of CPA Ontario, all provincial bodies and the public.

## VIII. REASONS FOR THE DECISION AS TO SANCTION

### *Factors to Consider in Determining Sanction*

- [146] Pursuant to section 15 of Regulation 6-2, in determining appropriate sanctions, the Panel must consider aggravating and mitigating factors. It 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.
- [147] In determining what sanctions are appropriate, this Panel considered the nature of the misconduct of the respective Respondents, as well as aggravating and mitigating circumstances, and the relevant case law cited by the PCC.

### *Sanction for Rosenthal*

- [148] Rosenthal was a senior member of the profession, having been a CPA for over 40 years. As a senior member, he is expected to be well-versed with the Code and to model exemplary conduct. And yet the way he conducted himself with BV, MP and CPA Ontario's investigation failed to represent the profession positively, in a manner that instills public confidence. The gravity and wide-ranging nature of his misconduct cannot be overstressed.
- [149] Exploiting the trust placed in him by long-time clients to solicit money for investment in construction projects then converting the money to other uses is extremely serious. Conversion is misappropriation. "Misappropriation is theft, and cannot be tolerated by the profession," as the Discipline Committee observed in *Anis*.<sup>12</sup> It involves moral turpitude gravely violating the accepted standards of the community.<sup>13</sup> This, on its own, warrants the most serious of sanctions, revocation, which the Discipline Committee has consistently ordered<sup>14</sup> to denounce the misconduct and deter others from committing the same offence. Indeed, revocation is the "presumptive penalty" for misappropriation.<sup>15</sup>
- [150] The misconduct of failing to cooperate with the regulatory processes of CPA Ontario is also serious. The Discipline Committee stated in *Ryan* at para 64: "it undermines the profession's ability to regulate itself and thereby undermines the public's confidence in the profession."<sup>16</sup> Not only did Rosenthal fail to present himself for an interview, to produce all documents requested, and to respond to MP's complaint, he attempted to mislead SE and Abdulnour in relation to BV's complaint by presenting a concocted narrative and falsified documents to support that narrative. His attempt to have BV withdraw his complaint as a pre-condition of releasing funds to which BV was entitled and his coaching BV to ignore CPA Ontario are further aggravating factors. As stated in *Trotter*, making repayment conditional on complaint

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<sup>12</sup> *Chartered Professional Accountants of Ontario v. Anis*, [2024 ONCPA 8](#) at para 42.

<sup>13</sup> *Chartered Professional Accountants of Ontario v. Ryan*, [2025 ONCPA 2](#) at para 32.

<sup>14</sup> *Chartered Professional Accountants of Ontario v. Rosenthal et al* ([November 5, 2025 Sanction Reasons](#)), cases cited at para 21.

<sup>15</sup> *Chartered Professional Accountants of Ontario v. Spitters*, [2023 ONCPA 12](#), at paras 61-64, and the cases cited.

<sup>16</sup> *Ryan*, at para 64

withdrawal is “self-serving”, “corrupt” and shows a profound lack of integrity.<sup>17</sup> Here, Rosenthal failed to fully cooperate with not just one complaint but two.

- [151] In addition to the facts relating to the misconduct, there is Rosenthal’s recent and related disciplinary history. He was the subject of the EB Proceedings heard earlier this year, in which he, together with Zaretsky, was found to have engaged in misconduct with another longstanding client, mirroring the misconduct he engaged in with BV and MP. As the Panel in the EB matter found, “Rosenthal exploited EB’s misplaced trust in his professionalism and friendship and took advantage of that trust to use EB’s funds for his own benefit, and to string EB along for a full three years before finally repaying EB the funds he was owed.”<sup>18</sup> Almost the same can be said here, though Rosenthal failed to ever fully repay BV and MP. Rosenthal is a repeat offender who has demonstrated no insight, remorse or hopes of rehabilitation. His cavalier and ungovernable attitude towards CPA Ontario’s regulatory processes is further evidenced by his stated reason for not participating in this hearing: he saw “no utility” in doing so, as he put it in his email to the Tribunals Office.
- [152] But for the fact that Rosenthal’s membership has already been revoked by the Discipline Committee, this Panel would have ordered revocation. It is appropriate in these circumstances to impose a five-year prohibition from reapplying for readmission. Albeit that it is codified, such prohibition was ordered in *Daniel*, a case involving dishonesty and misappropriation where the respondent was already a revoked member at the time of the hearing.<sup>19</sup>
- [153] In addition to the five-year prohibition, the imposition of a substantial fine is necessary given the seriousness of Rosenthal’s misconduct and to reinforce the message to the profession that such actions will not be countenanced. The Panel considered the quantum of fines in the caselaw provided by the PCC. Considering the aggravating factors in this case, the Panel finds that a fine of \$100,000 as sought by the PCC, which is slightly higher than what appears to be the prevailing norm in misappropriation cases,<sup>20</sup> is appropriate and necessary to maintain public confidence in the profession, achieve general deterrence, and promote the high ethical standards of the profession.
- [154] Publication of the Panel’s Decision and Order and notice in the *Globe and Mail* newspaper are necessary in order that the deterrent message to other members of the profession is broadly disseminated, and to ensure that the public is made aware. The Panel accepts the PCC’s submission that Rosenthal, together with Zaretsky, ought to bear the cost associated with publication in the *Globe and Mail*, and orders accordingly pursuant to section 50 of Regulation 6-2.

#### *Sanction for Zaretsky*

- [155] Like Rosenthal, Zaretsky was a senior member of the profession. He occupied a leadership position as managing partner of RZN. He is expected to conduct himself in accordance with

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<sup>17</sup> *Trotter* at paras. 48-49; *Rosenthal et al* (2025 ONCPA 12) at para 93.

<sup>18</sup> *Rosenthal et al* (November 5, 2025 Sanction Reasons), at para 19.

<sup>19</sup> *Chartered Professional Accountants of Ontario v. Daniel*, [2014 ONCPA 5](#)

<sup>20</sup> See e.g., *Anis* (\$75,000), *Ryan* (\$60,000), *Rosenthal et al* (\$75,000).

the high ethical standards of the CPA profession and prevent others at the firm from carrying out acts which would contravene the Code.

- [156] Although it was Rosenthal who was at the forefront of the solicitation and conversion scheme perpetuated on BV and MP, Zaretsky played a crucial enabling role. Zaretsky had a professional responsibility as managing partner to ensure that measures were instituted and enforced to ensure proper use of RZN's trust account and appropriate records of transactions were properly kept. Were it not for Zaretsky's dereliction of his responsibility and acquiescence to Rosenthal's use of RZN's name and trust account to give his scheme a veneer of credibility, the harm visited upon BV and MP might have been avoided.
- [157] Another aggravating factor this Panel considered was Zaretsky's recent and related disciplinary history. Alongside Rosenthal, he was the subject of the EB Proceedings. The Panel of the Discipline Committee in that case found that he had failed to exercise independent judgment and deferred to Rosenthal at every turn, thereby facilitating Rosenthal's serious misconduct.<sup>21</sup> Zaretsky committed the exact same breaches of the Code found by the Panel in the EB matter—and more—in the case before this Panel.
- [158] The timing of events was exceptionally troubling. RZN was admonished by the PCC on May 10, 2023 in relation to the EB matter. This was just a month before Rosenthal first approached BV to invest using tactics similar to ones used with EB, with Zaretsky turning a knowing blind eye. The admonition letter, attached as an exhibit to the Girardi Affidavit, was specifically addressed to Zaretsky. It highlighted what was required under Rules 201.1, 202.2, 212.1, 502, among other provisions of the Code. The letter noted "a pattern of deficient documentation, the cavalier handling of third party's monies, glaring conflicts of interest, and a complete absence of firm policies and procedures" in connection with "a series of loans negotiated, managed and guaranteed by John Rosenthal, CPA, CA and Mark Zaretsky, CPA, CA." It underscored PCC's particular concerns regarding:

[T]he firm's acceptance, and direct use, of the loans in the absence of any policies or procedures at the simple direction of firm leadership....

[I]n addition to deficient documentation and the blind following of firm leadership – the failure to conduct a risk and conflict of interest assessment, the failure to appropriately segregate trust monies, the failure to honour the loan repayment terms and the improper assignment of purported trust monies to firm operating expenses—all contributed to the breach of the loan terms and the current litigation to enforce the loan obligations against [RZN] and Messrs. Rosenthal and Zaretsky.

- [159] The letter made clear that immediate corrective actions were expected of Zaretsky and the firm: "The Committee expects you to immediately create, administer and enforce clear firm policies and procedures to ensure the exercise of due care with respect to every transaction

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<sup>21</sup> *Rosenthal et al (November 5, 2025 Sanction Reasons)*, at para 28.

and engagement that may impact a member of the public” [emphasis added].

- [160] Zaretsky did not put in place policies and procedures to prevent what had happened from essentially happening again. Instead, he acquiesced to Rosenthal’s continued actions. This allowed Rosenthal to run a similar playbook on BV and MP as he did with EB using RZN’s trust account. There was complete disregard of the admonishment letter.
- [161] Zaretsky’s failure to cooperate with CPA Ontario’s investigation is not to be taken lightly either. It was not for him to simply advise Abdulnour, in response to her document request, that production would be made by Rosenthal. It is particularly inexcusable when Zaretsky, as managing partner of RZN, had access to the documents and could have produced the same. His failure to do so shows a lack of respect for the regulatory process and undermines the ability of CPA Ontario to fulfill its public mandate of effectively regulating its members.
- [162] As with Rosenthal, but for the fact that Zaretsky’s membership has already been revoked, this Panel would have ordered revocation. It is appropriate in these circumstances to impose on Zaretsky a five-year prohibition from reapplying for readmission.
- [163] A substantial fine is also appropriate. Zaretsky played a secondary but necessary role in aiding and abetting Rosenthal’s misconduct. Zaretsky did nothing to correct course after receiving the admonishment letter. He showed no remorse over the lapses in the EB matter, nor that he learned from them. While he attended an interview with RA, he nonetheless failed to fully cooperate and attempted to abdicate his responsibility in the scheme by claiming lack of awareness to Abdulnour. The PCC sought a fine of \$50,000. The Panel agrees that this amount is appropriate considering Zaretsky’s secondary role relative to Rosenthal’s, the timing and seriousness of Zaretsky’s misconduct and his related disciplinary history.
- [164] With respect to both Rosenthal and Zaretsky, this Panel wishes to underscore that the level of impropriety they demonstrated cries out for the most severe sanction. Revocation, which is reserved for the gravest of offences, would have been warranted in this case were Rosenthal and Zaretsky still members of CPA Ontario. This Panel declines the PCC’s request to confirm the revocation already ordered. The PCC provided no authority or precedent for it. In the Panel’s view, it is not for one Panel of the Discipline Committee to affirm a clear and unequivocal order made by another Panel of the same committee which has already been fully implemented. That said, our declining to do so should not be taken to in any way diminish the seriousness with which this Panel takes the misconduct.
- [165] As noted above, publication of the Panel’s Decision and Order and notice in the *Globe and Mail* newspaper are appropriate. The Panel accepts the PCC’s submission that Zaretsky, along with Rosenthal, ought to bear the cost associated with publication in the *Globe and Mail*, and orders accordingly pursuant to section 50 of Regulation 6-2.

#### *Sanction for RZN*

- [166] The PCC sought a fine of \$50,000. It submitted that there is a dearth of caselaw where fines were imposed on small firms like RZN. Given the size of RZN (a three-partner firm), it is more or less a proxy for its partners, particularly its managing partner. Regarding the appropriate quantum, the PCC submitted that an appropriate benchmark would be the amount ordered

against a member engaging in similar misconduct or breaches of the Code.

- [167] Keeping in mind the fine against Zaretsky, this Panel agrees that the same amount should be imposed on RZN. It bears reminding that RZN was the subject of the admonishment letter, which directed it to “immediately create, administer and enforce clear firm policies and procedures to ensure the exercise of due care with respect to every transaction and engagement that may impact a member of the public”. Had this been done, Rosenthal might not have been able to run his scheme on BV and MP through RZN.

## IX. COSTS

- [168] Costs are ordered at the discretion of the Discipline Committee. They 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 Respondents’ misconduct. It is well-settled that an order for costs is not a penalty.<sup>22</sup>
- [169] The PCC filed three Costs Outlines, marked as Exhibits 7, 8 and 9, pertaining to the prosecution and investigation costs for RZN, Rosenthal and Zaretsky respectively. It sought costs representing 2/3 of the costs incurred, in a rounded amount, to be paid within six months. Later in oral submissions, the PCC suggested that given the requested costs are smaller amounts relative to the requested fines, an earlier deadline for costs payment (i.e., by December 31, 2025) may be appropriate.
- [170] The Panel finds no basis to question the reasonableness of the amount of actual costs incurred. The Panel ordered that the Respondents each pay two-thirds of their portion of the actual costs, as is the standard practice of the Discipline Committee. Accordingly, costs were set at \$20,450 for Rosenthal; \$11,000 for Zaretsky; and \$6,000 for RZN. It seems reasonable that Rosenthal’s portion of the costs is highest given that he was the subject of two complaints while Zaretsky and RZN were each the subject of one complaint. Costs are payable within six months, as with the fines. The Panel is not convinced that the costs being less than the fines warrants an earlier deadline for payment.

**DATED** this 8<sup>th</sup> day of December, 2025



Jim Huang, CPA, CGA  
Discipline Committee – Deputy Chair

Members of the Panel  
Brian Killah, CPA, CGA, LPA  
Fiona Teape, Public Representative

Independent Legal Counsel  
Anna Wong, Barrister & Solicitor

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<sup>22</sup> See e.g., *Hametaj* at para 48.