

FP Canada Standards Council™
and
Aurelio Marrone, CFP®

STATEMENT OF ALLEGATIONS

THE CFP® PROFESSIONAL

1. Aurelio Marrone (“Mr. Marrone” or the “Respondent”) was certified by the Financial Planning Standards Council®, now FP Canada™, as a CERTIFIED FINANCIAL PLANNER® professional in January 2003 and has consistently renewed his certification, which remains in good standing as of the date of this Statement of Allegations. Mr. Marrone does not have a prior discipline history with the FP Canada Standards Council™ (the “Standards Council”).
2. Mr. Marrone was employed with IPC Investment Corporation (“IPC”) from approximately 1997 until his termination on January 11, 2018 as a result of the underlying conduct in this matter. Mr. Marrone was registered as a Dealing Representative from September 2009 to January 2018 and has not been registered in the securities industry in any capacity since then. Mr. Marrone has also been certified as a CGA, CPA since 2016 and remains in good standing as of the date of this Statement of Allegations.
3. Mr. Marrone resides in Willowdale, Ontario.

HISTORY OF THE PROCEEDINGS

4. Between 2018 and 2023, when completing his CFP® Renewal Application Forms, Mr. Marrone reported that: he was the subject of an investigation by IPC and the Mutual Fund Dealers Association of Canada (“MFDA”); the Ontario Securities Commission (“OSC”) registration department was inquiring about his termination at IPC; and/or he was involved in an ongoing civil proceeding. When completing his 2023/2024 CFP® Renewal Application Form, Mr. Marrone reported that he was sanctioned, fined, and found guilty of misconduct by the OSC, and that his

membership was terminated permanently.¹

5. On May 25, 2020, the OSC issued a Statement of Allegations against Mr. Marrone alleging, among other things, that he was in a “serious conflict of interest position”. The conflict of interest arose due to Mr. Marrone’s elderly and terminally ill client, MU, designating him as the Attorney in the Powers of Attorney for Personal Care and Property (“POAs”) and naming him as Alternate Executor and sole beneficiary in the client’s will executed on May 9, 2017 (the “2017 Will”), ten (10) days before the client passing away.
6. At the time of her death, MU’s estate was valued at more than \$2,000,000, including approximately \$1,700,000 in investments (managed by Mr. Marrone, representing approximately one third of his book of business) and a condominium.
7. A hearing was held before the OSC on several dates between May 2021 and December 2021.
8. The Standards Council initiated an independent investigation into Mr. Marrone’s conduct on April 8, 2022.
9. During the course of the investigation, staff discovered another previous failure to disclose a conflict of interest to MU, in March 2008, as well as Mr. Marrone’s failure to correct a mutual fund company’s error in naming MU’s deceased spouse as a beneficiary.
10. On June 13, 2022, the OSC issued Reasons for Decision on the merits, and found that: Mr. Marrone’s conduct was contrary to MFDA Rules 2.3.1(a), 2.1.4, 2.1.1 and 1.1.2 and IPC policies and procedures; and he failed to deal fairly, honestly and in good faith with MU, contrary to subsection 2.1(2) of OSC Rule 31-505.²
11. On February 28, 2023, the OSC issued Reasons for Decision on sanctions and costs, and ordered that Mr. Marrone’s registration be terminated permanently and that he pay an administrative penalty in the amount of \$500,000 and costs in the amount of \$85,000.³
12. On March 29, 2023, Mr. Marrone filed an appeal to the Ontario Divisional Court seeking an order that the OSC Decisions be set aside.⁴ A hearing date for the appeal has not yet been published.
13. On June 6, 2023, the Conduct Review Panel (“CRP”) convened and referred the allegations set out herein to a Hearing Panel.

¹ The MFDA requested the assistance of the OSC and in or around November 2019, the OSC assumed carriage of the file.

² [Reasons and Decision: In the Matter of Aurelio Marrone \(capitalmarketstribunal.ca\) – Merits](#)

³ [Reasons and Decision: In the Matter of Aurelio Marrone \(capitalmarketstribunal.ca\) - Sanctions](#)

⁴ Because the OSC’s Decision is under appeal, the findings are not considered final and allegations pursuant to the Fitness Standards cannot be brought at this time.

NOTICE

14. Further to the direction of the CRP, and in accordance with Article 5.1 of the *FP Canada Standards Council Disciplinary Rules and Procedures* (DRP), I hereby give notice of the Standards Council's request that a hearing date be set with respect to the matter identified as: *FP Canada Standards Council™ and Aurelio Marrone, CFP®*.
15. The Standards Council requests that the hearing be held in writing.

APPLICABLE STANDARDS

Mr. Marrone's underlying conduct occurred between March 2008 and November 2017. Accordingly, Mr. Marrone's conduct is governed by the *Standards of Professional Responsibility* in effect between April 2005 and December 2018. The applicable Principles and Rules of the *Standards of Professional Responsibility* are attached at **Appendix "A"**.

ALLEGATIONS

The Standards Council makes the following allegations against the Respondent:

1. Between March and June 2008, the Respondent failed to provide written disclosure to his client, MU, of the conflict of interest created when MU designated the Respondent as the beneficiary on one of her investment accounts, given his concurrent role as her financial planner. The Respondent thereby failed to make written disclosure of the conflict of interest, failed to exercise reasonable and prudent professional judgment in providing financial planning services, and failed to act with professionalism and fairness, contrary to Rules 201 and 401 and Principles 4 and 6 of the *CFP Code of Ethics* in effect between April 2005 and December 2009;
2. Between June 2008 and May 2017, the Respondent did not advise his client, MU, that instead of designating the Respondent as her beneficiary on one of her investment accounts, the mutual fund company designated MU's deceased husband as her beneficiary, and the Respondent did not take any steps to correct this error. The Respondent thereby failed to act diligently, with fairness, to place the client's interests first, and failed to act with professionalism and exercise reasonable and prudent professional judgment in providing financial planning services, contrary to Principles 4, 6 and 7 and Rule 201 of the *CFP Code of Ethics* in effect between April 2005 and October 2011 and Principles 1, 5, 7 and 8 and Rule 15 of the *Standards of Professional Responsibility* in effect from November 2011 to May 2017;

3. In May 2017, the Respondent failed to provide written disclosure to his client, MU, of the conflict of interests created when, given his concurrent role as her financial planner, he became aware that: a) MU designated him as the Attorney in the POAs, and b) when he knew or ought to have known that MU named him as Alternate Executor and sole beneficiary in the 2017 Will. The Respondent also failed to obtain MU's written and informed consent to continue acting as her financial planner, notwithstanding the conflicts of interest, and he failed to place the client's interests first, contrary to Rules 8(b) and 8.1 and Principle 1 of the *Standards of Professional Responsibility* in effect between March 2016 and May 2017;
4. Between May and November 2017, the Respondent:
 - a. failed to inform his employer about being named the Attorney in the POAs, Alternate Executor and sole beneficiary;
 - b. advised his employer that he did not hold a Power of Attorney for any of his clients, when he did;
 - c. denied being at the hospital when the 2017 Will was signed, when he was in a hallway at the hospital; and
 - d. stated that he did not know the status of MU's condominium, when he knew that his nephew was residing at the condominium.

By engaging in this conduct, the Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to his employer, contrary to Principle 2 and Rules 1 and 2 of the *Standards of Professional Conduct* in effect between March 2016 and December 2018;

Dated: July 17, 2023

"Tamara Center"

Tamara Center

Director, Professional Conduct and Enforcement
Counsel to FP Canada Standards Council™

Appendix A

CFP Code of Ethics – April 2005 to December 2009

Principle 4: Fairness

A CFP professional shall perform financial planning in a manner that is fair and reasonable to clients, principals, partners, and employers and shall disclose conflicts of interest in providing such services.

Fairness requires impartiality, intellectual honesty, and disclosure of conflicts of interest. It involves a subordination of one's own feelings, prejudices, and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that one would want to be treated and is an essential trait of any professional.

Principle 6: Professionalism

A CFP professional's conduct in all matters shall reflect credit upon the profession.

A CFP professional shall behave in a manner that maintains the good reputation of the profession and its ability to serve the public interest. A CFP professional shall avoid activities that adversely affect the quality of his or her financial planning advice.

Rule 201: A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.

Rule 401: A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.

CFP Code of Ethics – January 2010 to October 2011

Principle 4: Fairness

[No material change]

Principle 6: Professionalism

[No material change]

Principle 7: Diligence

A CFP professional shall act diligently in providing financial planning.

Diligence is the provision of services in a prompt and thorough manner. Diligence also includes proper planning for and supervisions of the rendering of professional services.

Rule 201: Professional Judgment

[No material change]

Standards of Professional Responsibility for CFP Professionals and FPSC Registered Candidates - November 2011 to February 2014; and Standards of Professional Responsibility for CFP Professionals and FPSC Level 1 Certificants in Financial Planning – March 2014 to February 2016

Principle 1: Client First

A CFP professional shall always place the client's interests first.

Placing the client's interests first requires the CFP professional to act honestly and to place the client's interests ahead of his own and ahead of all other interests.

Principle 5: Fairness

A CFP professional shall be fair and open in all professional relationships.

Fairness requires providing clients with what they should reasonably expect from a professional relationship, and includes honesty and disclosure of all relevant facts, including conflicts of interest.

Principle 7: Diligence

[No material change]

Principle 8: Professionalism

A CFP professional shall act in a manner that reflects positively upon the profession.

Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.

Rule 15: A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.

**Standards of Professional Responsibility for CFP Professionals and FPSC Level 1 Certificants
in Financial Planning – March 2016 to December 2018**

Principle 1: Client First

[No material change]

Principle 2: Integrity

A CFP professional shall not engage in any conduct that reflect adversely on his or her integrity or fitness as a CFP professional, the CFP marks or the profession.

Integrity is a fundamental quality in a professional. Conduct by a CFP professional in his/her private capacity or professional practice, which reflects negatively on the CFP professional's integrity, may negatively impact the public's view of the CFP professional, the certification marks and the professional overall.

Rule 1: A CFP professional shall not engage in or associate with conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.

Rule 2: A CFP professional shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a CFP professional, the CFP marks or the profession.

Rule 8: When the services include financial planning or material elements of the financial planning process, a CFP professional shall disclose the following information in writing to the client:

...

b) A general summary of likely conflicts of interest between the client and the CFP professional, the CP professional's employer, or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the CFP professional or the CFP professional's employer that has a potential to materially affect the relationship with the clients;

...

Rule 8.1: When the services include financial planning or material elements of the financial planning process:

...

b) Where a conflict of interest arises during the course of an ongoing relationship with a client either between the client and the CFP professional or between the CFP professional's clients in the case of a joint engagement, a CFP professional shall immediately upon discovery of the conflict of interest, advise the client, in writing, of the conflict of interest. In such circumstances a CFP professional shall cease providing services (acting in accordance with the provisions of Rule 11) unless and until the client makes the informed decision to continue with the engagement. The CFP professional must obtain the client's written consent to continue. Such written consent must include a description of the conflict of interest and confirmation of the client's decision to proceed.

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