

***FP Canada Standards Council™***  
***and***  
***Serguei Totrov, CFP®***

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**STATEMENT OF ALLEGATIONS**

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**THE CFP® PROFESSIONAL**

1. Serguei Totrov (“Mr. Totrov” or the “Respondent”) was certified by the Financial Planning Standards Council®, now FP Canada™, as a CERTIFIED FINANCIAL PLANNER® professional in January 1, 2005. Mr. Totrov consistently renewed his CFP certification between 2005 and 2017. His certification lapsed in April 2017 and was reinstated on February 25, 2019. Mr. Totrov has consistently renewed his certification since 2019.
2. As of the date of this Statement of Allegations, Mr. Totrov is certified as a CFP professional and his certification is in good standing. Mr. Totrov has a prior discipline history with the FP Canada Standards Council™ (the “Standards Council”)<sup>1</sup>.
3. Between August and November 2013, Mr. Totrov was authorized to offer Syndicated Mortgage Investments, with the approval of his insurance brokerage firm, Mortgage intelligence, both directly and/or as a referral agent. At the end of 2013, Mr. Totrov opened a sole proprietorship “Financial Services – Serguei Totrov”, and moved from Mortgage Intelligence to a mortgage corporation operating as “Dominion Lending Centres – Your Mortgage Choice”.
4. Mr. Totrov currently resides in Toronto, Ontario.

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<sup>1</sup> In July 2006, a Hearing Panel of the Ethics and Practice Committee found that Mr. Totrov placed substantially all of his clients’ retirement savings into a speculative investment without having taken sufficient time to get to know the clients and without taking sufficient care in selecting the investment. They found that he did not exercise reasonable and prudent professional judgment, did not act in his clients’ best interests and did not make and implement only those recommendations which were suitable for his clients. Mr. Totrov was ordered to complete the Canadian Securities Course (“CSC”) within one year, failing which he would be suspended for 1 year and a day. Mr. Totrov provided a Certificate of Completion for the CSC dated April 21, 2007.

## HISTORY OF THE PROCEEDINGS

5. This matter came to the attention of the Standards Council when Mr. Totrov reported, on his CFP® Reinstatement Application form 2018/2019, submitted in October 2018, but completed in February 2019, that he was named as a defendant in a civil proceeding. The litigation involved a Syndicated Mortgage Investment known as Village on the Grand (“VOTG-SMI”), a residential real estate development in Paris, Ontario. Mr. Totrov was named as one of a number of individuals and corporations who were involved in the promotion, marketing, and sale of the VOTG-SMI to the plaintiffs.
6. Between August and November 2013, in addition to his wife, Mr. Totrov had five (5) clients who he referred to Tier 1 Capital Management Inc. and T1CM Principal Secured Mortgages Inc. (collectively “T1CM”) and invested in the VOTG-SMI. Some of the marketing materials prepared by Mr. Totrov referred to the investment as “guaranteed”.
7. In early 2016, Village on the Grand stopped making interest payments to investors and in September 2018, an Order was issued by the Superintendent of Financial Services revoking T1CM’s brokerage license and imposing a large penalty for failing to ensure the investment was suitable and failing to make proper and timely disclosure to lenders and investors.
8. The conduct giving rise to the allegations set out herein occurred while Mr. Totrov was a CFP certificant.
9. The Standards Council initiated an independent investigation into Mr. Totrov’s conduct on November 18, 2019.
10. On June 21, 2022, the Conduct Review Panel (“CRP”) convened and referred the allegations set out herein to a Hearing Panel.

## NOTICE

11. 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 Serguei Totrov, CFP®*.
12. The Standards Council requests that the hearing be held in writing.

## APPLICABLE STANDARDS

The underlying conduct occurred between August and November 2013. Accordingly, Mr. Malic’s conduct is governed by the *Standards of Professional Responsibility* in effect between November 2011 and February 2014. The applicable Principles and Rules of the *Standards of Professional Responsibility* are attached as **Appendix “A”**.

## ALLEGATIONS

The Standards Council makes the following allegations against the Respondent:

1. Between August and November 2013, the Respondent failed to provide adequate disclosure to five (5) non-arms length clients relating to: the scope of services he was providing relating to the VOTG-SMI; the compensation he was entitled to receive as referral agent; and the investment product risks, and he thereby failed to put his clients' interests first and failed to act with fairness and diligence, contrary to Principles 1, 5 and 7 of the *Standards of Professional Responsibility* in force between November 2011 and February 2014.
2. Between August and November 2013, the Respondent referred a client, S.D., to T1CM with the intention of her investing in the VOTG-SMI, which investment was unsuitable given the client's personal financial circumstances, and thereby failed to put his client's interests first and failed to act with objectivity, fairness and diligence, contrary to Principles 1, 3, 5 and 7 of the *Standards of Professional Responsibility* in force between November 2011 and February 2014.
3. Between August and November 2013, the Respondent made false or misleading statements in marketing materials he created which referred to the investment in the VOTG-SMI as "guaranteed", when it was not, and thereby failed to act with integrity and professionalism, contrary to Principle 1 and Rule 1 of the *Standards of Professional Responsibility* in force between November 2011 and February 2014.

Dated: July 29, 2022



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

## APPENDIX “A”

Applicable Standards	Time frame
<i>Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered Candidates</i> , November 2011	November 2011 to February 2014

<b>Applicable Principles and Rules of the <i>Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered Candidates</i>, November 2011</b>	
<p><b>Principle 1: Client First</b>  <b>A CFP professional shall always place the client’s interests first.</b></p> <p>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.</p>	
<p><b>Principle 3: Objectivity</b>  <b>A CFP professional shall be objective when providing advice and/or services to clients.</b>                      Objectivity requires intellectual honesty and impartiality and the exercise of sound judgment, regardless of the services delivered or the capacity in which a CFP professional functions.</p>	
<p><b>Principle 5: Fairness</b>  <b>A CFP professional shall be fair and open in all professional relationships.</b>                      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.</p>	
<p><b>Principle 7: Diligence</b>  <b>A CFP professional shall act diligently when providing advice and/or services to clients.</b></p> <p>Diligence is the degree of care and prudence expected from CFP professionals in the handling of their clients’ affairs. Diligence requires fulfilling professional commitments in a timely and thorough manner and taking due care in guiding, informing, planning, supervising, and delivering financial advice and/or services to clients.</p>	
<b>Rule 1</b>	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.