

**FP CANADA STANDARDS COUNCIL™**

**AND**

**SUSAN ARMITSTEAD**

**STATEMENT OF ALLEGATIONS**

**I. THE FORMER CERTIFICANT**

1. Susan Armitstead (“Ms. Armitstead or the “Respondent”) was certified by the Financial Planning Standards Council®, now FP Canada™, as a CERTIFIED FINANCIAL PLANNER® professional in January 2001. Ms. Armitstead remained certified until March 31, 2022 when her certification lapsed due to voluntary non-renewal.<sup>1</sup> She does not have a prior disciplinary history with the FP Canada Standards Council™ (the “Standards Council”).
2. From approximately 2014 until August 2021, Ms. Armitstead was employed as a Financial Advisor at the Canada Life Assurance Company (“Canada Life”), which also served as her insurance sponsor. Her employment was terminated on August 12, 2021 as a result of the conduct which is the subject of these proceedings.
3. Ms. Armitstead was also registered in Alberta as a mutual fund dealing representative, through the Mutual Fund Dealers Association of Canada<sup>2</sup>, with Quadrus Investment Services Ltd. (“Quadrus”), from September 14, 2001 until her termination on August 12, 2021. She has not been registered to work in the securities industry since that time.
4. Ms. Armitstead resides in Edmonton, Alberta.

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<sup>1</sup> All of the conduct at issue occurred while she was certified.

<sup>2</sup> In 2023, the Mutual Fund Dealers Association of Canada (MFDA) and Investment Industry Regulatory Organization of Canada (IIROC) merged, and the new entity is now called the Canadian Investment Regulatory Organization (CIRO).

## II. BACKGROUND OF THE PROCEEDINGS

### A. Complaint to Canada Life

5. In or around June 2021, Ms. Armitstead's client, who was also her spouse at the time, discovered unauthorized transactions redeemed by Ms. Armitstead, and submitted a complaint to Canada Life. Canada Life conducted an investigation and concluded that Ms. Armitstead had forged the client's (her spouse's) signature on a number of redemption forms (the "unauthorized redemptions") and provided him with at least eight (8) falsified investment summaries and account statements in order to conceal the unauthorized redemptions.
6. As noted above, on August 12, 2021, Canada Life (and Quadrus) terminated Ms. Armitstead's employment as a result of her conduct.

### B. Alberta Insurance Council

7. The Alberta Insurance Council ("AIC") began an investigation of Ms. Armitstead's conduct on August 19, 2021, after receiving notification that she had been terminated by Canada Life. The matter subsequently proceeded to a hearing before the AIC's hearing panel, known as the Life Insurance Council ("LIC") in February 2022.
8. The LIC released a decision dated May 3, 2022, finding that Ms. Armitstead had falsified two (2) policy documents, presented them to the client as a representation of his financial status and deposited payments into her personal bank account, which he did not have access to.<sup>3</sup> The LIC found that Ms. Armitstead acted contrary to section 480(1)(a) the *Insurance Act* and was guilty of fraud, deceit, dishonesty, untrustworthiness, and/or misrepresentation.
9. The LIC ordered a civil penalty of \$10,000 reflecting its findings regarding her falsification of account statements. The LIC panel noted that Ms. Armitstead was not licensed at the time of their decision; however, if she had been, they would have exercised their authority to revoke her insurance certificate of authority.
10. This matter only came to the attention of the Standards Council on June 4, 2022, when the Standards Council received notice, by way of a media release, that Ms. Armitstead was subject to proceedings before the LIC. Ms. Armitstead did not advise FP Canada within fifteen (15) days as required, or any time thereafter, of the change to prior legal

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<sup>3</sup> [In the Matter of the Insurance Act and in the Matter of Susan Armitstead \(decisions.cisro-ocra.com\)](https://decisions.cisro-ocra.com)

declarations made on her 2021/2022 CFP® Renewal Application Form, namely, that she was the subject of an investigation by the AIC and hearing proceedings before the LIC.

### **C. Criminal Proceedings**

11. In September 2021, an investigator with the AIC notified the police of Ms. Armitstead's conduct and an RCMP investigation was commenced. Ms. Armitstead was subsequently charged with theft over \$5000, forgery and fraud. On January 8, 2024, Ms. Armitstead entered a guilty plea to one (1) count of fraud and was given a conditional sentence order of twelve (12) months (ending on January 7, 2025).
12. Pursuant to the Fitness Standards set out in the *FP Canada Standards Council Standards of Professional Responsibility* (the "Fitness Standards"), pleading guilty, being found guilty or being convicted of a criminal offence is a presumptive bar to new, continued or reinstated certification by FP Canada. As such, Ms. Armitstead's guilty plea in the criminal matter constitutes a presumptive bar to any future application for reinstatement of her certification with FP Canada.

### **D. Canadian Investment Regulatory Organization (CIRO) Proceedings**

13. On September 19, 2023, CIRO issued a Notice of Hearing with respect to Ms. Armitstead.<sup>4</sup>
14. A disciplinary hearing took place on April 29, 2024, and on July 8, 2024, the CIRO hearing panel released its Decision and Reasons on Penalty (the "Penalty Decision"). The Penalty Decision refers to an Agreed Statement of Facts whereby Ms. Armitstead admitted that, contrary to MFDA Dealer Rule 2.1.1, she:
  - a. misappropriated or otherwise failed to account for client monies;
  - b. recorded five (5) false or misleading notes in the Dealer Member's back-office system; and
  - c. made false or misleading statements to the Dealer Member during supervisory inquiries.
15. With respect to the misappropriation conduct, Ms. Armitstead admitted to processing ten (10) unauthorized redemptions from the client's accounts, through mutual fund dealer

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<sup>4</sup> [Notice of Hearing: In the Matter of the Mutual Fund Dealer Rules and Susan Armitstead \(ciro.ca\)](#)

member Quadrus, totaling approximately \$61,328.<sup>5</sup> Ms. Armitstead admitted that she signed the client's signature on the necessary forms and that the funds were placed in her personal bank account, and then spent. Ultimately, the CIRO hearing panel imposed a permanent prohibition from conducting securities-related business and issued a fine of \$15,000 and costs of \$5000.<sup>6</sup>

16. Pursuant to the Fitness Standards, revocation, ban or suspension of one (1) year or longer of a financial services licence is a presumptive bar to new, continued or reinstated certification by FP Canada. As such, the permanent prohibition issued by the CIRO hearing panel against Ms. Armitstead constitutes an additional presumptive bar to any future application for reinstatement of her certification with FP Canada.

### III. NOTICE

17. Further to the direction of the Conduct Review Panel, 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 Susan Armitstead*.
18. The Standards Council requests that the hearing be held in writing

### IV. APPLICABLE STANDARDS

19. The falsifications at issue occurred from January 2015 to May 2018 and December 2020 to June 2021; Ms. Armitstead failed to notify FP Canada of the investigation by the AIC as of August 2021; the findings of the LIC against Ms. Armitstead were made on May 3, 2022; her criminal guilty plea was entered into on January 8, 2024; and the CIRO hearing panel's Reasons for Decision was released July 8, 2024. Accordingly, Ms. Armitstead's conduct is governed by the *Standards of Professional Responsibility* in force for the period from June 2015 to December 2018, and from January 2020 to present. The applicable Principles and Rules of the *Standards of Professional Responsibility* are set out in **Appendix "A"**.

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<sup>5</sup> During the investigation, Standards Council staff discovered an eleventh unauthorized redemption, bringing the total to \$64,849.

<sup>6</sup> [The Mutual Fund Dealer Rules and Susan Armitstead \(ciro.ca\)](#)

## V. ALLEGATIONS

The Standards Council makes the following allegations against the Respondent:

1. Between January 2015 and May 2018, the Respondent forged a client's signature on eleven (11) redemption forms and used the forms to make eleven (11) unauthorized redemptions, totalling almost \$65,000, from the client's accounts, which she then deposited into her personal bank account. The Respondent thereby engaged in conduct involving dishonesty, fraud, deceit or misrepresentation, which reflects adversely on her integrity or fitness as a Certificant, the certification marks or the profession, and failed to act with fairness, professionalism or place the client's interests first, contrary to Rules 1 and 2 and Principles 1, 2, 5 and 8 of the *Standards of Professional Responsibility* in effect between November 2014 and December 2018;
2. Between February 2016 and June 2017, the Respondent created five (5) false and misleading notes in Quadrus' back-office system, thereby engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, which reflects adversely on her integrity or fitness as a Certificant, the certification marks or the profession, and failing to act with fairness, professionalism or place the client's interests first, contrary to Rules 1 and 2 and Principles 1, 2, 5 and 8 of the *Standards of Professional Responsibility* in effect between June 2016 and December 2018;
3. Between December 2020 and June 2021, the Respondent falsified at least eight (8) investment summaries and account statements and presented these false documents to the client, thereby engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, which reflects adversely on her integrity or fitness as a Certificant, the certification marks or the profession, and failing to act with fairness, professionalism or place the client's interests first, contrary to Rules 1 and 2 and Principles 1, 2, 5 and 8 of the *Standards of Professional Responsibility* in effect between January 2020 and June 2021;
4. Between August 2021 and March 2022, the Respondent failed to report to FP Canada that she was the subject of an investigation and hearing proceedings by the AIC, within fifteen (15) days of becoming aware of the investigation, contrary to her ongoing obligation to report the changes which she attested to on her 2021/2022 CFP Renewal Application form, thereby breaching Rule 33 of the *Standards of Professional Responsibility* in effect between July 2021 and April 2022;

5. By decision dated May 3, 2022, and LIC hearing panel found the Respondent in breach of section 480(1)(a) of the *Insurance Act*; thereby, failing to provide professional services in accordance with applicable rules or established policies of governmental agencies or other applicable authorities, contrary to Rule 24 of the *Standards of Professional Responsibility* in effect between May 2022 and May 2024.
  
6. By decision dated July 8, 2024, and CIRO hearing panel found the Respondent in breach of Mutual Fund Dealer Rule 2.1.1; thereby, failing to provide professional services in accordance with applicable rules or established policies of governmental agencies or other applicable authorities, contrary to Rule 25 of the *Standards of Professional Responsibility* in effect commencing in June 2024 and currently in force.

Dated: September 11, 2024



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Tamara Center

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

## APPENDIX "A"

### Standards of Professional Responsibility for CFP Professionals and FPSC Level 1 Certificants in Financial Planning - November 2014 to December 2018

#### **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 2: Integrity**

A CFP professional shall always act with integrity.

Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice, Integrity requires the CFP professional to observe both the letter and the spirit of the Code.

#### **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 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 1: Misrepresentation**

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: Integrity**

A CFP licensee shall not engage in any conduct which reflects adversely on his or her integrity or fitness as a CFP licensee, upon the marks, or upon the profession.

**Standards of Professional Responsibility for CFP Professionals and QAFP Professionals - January 2020 to June 2021**

**Principle 1: Duty of Loyalty to the Client**

The Duty of Loyalty encompasses:

The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests;

The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and

The duty to act with the care, skill and diligence of a prudent professional.

**Principle 2: Integrity**

*[No material change]*

**Principle 5: Fairness**

*[No material change]*

**Principle 8: Professionalism**

*[No material change]*

**Rule 1: Misrepresentation**

*[No material change]*

**Rule 2: Integrity**

*[No material change]*

**Standards of Professional Responsibility for CFP Professionals and QAFP Professionals - July 2021 to April 2022**

**Rule 33:** A Certificant shall meet all FP Canada requirements for continued certification, including:

...

b) Advising FP Canada, in writing, of any changes to prior Legal Declarations within 15 days of becoming aware of new information;

...



**Standards of Professional Responsibility for CFP Professionals and QAFP Professionals - May 2022 to May 2024**

**Rule 24: Accordance with Law and Regulations**

A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.

**Standards of Professional Responsibility - June 2024 to Current**

**Rule 25: Accordance with Law and Regulations**

*[No material change]*