

FP Canada Standards Council™
and
Leszek Dziadecki

STATEMENT OF ALLEGATIONS

THE FORMER CERTIFICANT

1. Leszek Dziadecki (“Mr. Dziadecki” or the “Respondent”) was certified by the Financial Planning Standards Council®, now FP Canada™, as a CERTIFIED FINANCIAL PLANNER® professional from August 1, 1998 to March 31, 2017, and again from October 5, 2017 to March 31, 2022, when his certification lapsed due to voluntary non-renewal. Mr. Dziadecki does not have a prior discipline history with the FP Canada Standards Council™ (the “Standards Council”).
2. Between May 2004 and October 2018, Mr. Dziadecki was registered in Ontario as a dealing representative with Global Maxfin Investments Inc. (“Global Maxfin”). Mr. Dziadecki also offered financial planning services and was licensed to sell insurance through his company Advantage Group of Finance Inc., which was registered with Global Maxfin. Between May 2004 until October 2016, Mr. Dziadecki was also designated as a branch manager with Global Maxfin.
3. Mr. Dziadecki is the current “Owner” of Advantage Group of Finance Inc. which is located in Mississauga, Ontario and he resides in Oakville, Ontario.

HISTORY OF THE PROCEEDINGS

A. Other Relevant Proceedings

4. By News Release dated August 15, 2022, the Standards Council became aware of disciplinary proceedings commenced by the Mutual Fund Dealers Association of

Canada (MFDA)¹ against Mr. Dziadecki by way of Notice of Hearing dated August 3, 2022.

5. On May 16, 2023, the (then renamed) CIRO Hearing Panel found that Mr. Dziadecki had committed the following misconduct:
 - a. Between 2015 and 2016, Mr. Dziadecki engaged in securities-related business that was not carried on for Global Maxfin or conducted through its facilities, by recommending, selling, or facilitating the sale of syndicated mortgage investments (“SMIs”) to clients and other individuals contrary to MFDA Rules 1.1.1, 2.1.1, and 1.1.2; and
 - b. Between 2015 and 2017, he engaged in unapproved outside business activities in relation to SMIs contrary to MFDA Rules 1.2.1(c), 2.1.1, and 1.1.2.
6. On October 31, 2023, the CIRO Hearing Panel issued its [Reasons for Decision](#) dated September 26, 2023.
7. On January 30, 2024, the CIRO Hearing Panel imposed a permanent prohibition from conducting securities-related business in any capacity; a fine of \$300,000; and costs in the amount of \$30,000, on Mr. Dziadecki. The [Reasons for Decision \(Penalty\)](#) were issued on March 11, 2024.
8. On February 29, 2024, Mr. Dziadecki filed an Application for a Hearing and Review seeking a review of CIRO’s merits and penalty decisions.²

B. FP Canada Proceedings

9. The Standards Council initiated an independent investigation into Mr. Dziadecki’s conduct as a CFP professional on December 9, 2022.
10. On March 25, 2024, the Conduct Review Panel (“CRP”) convened and referred the allegations set out herein to a Hearing Panel.

¹ In 2023, the MFDA amalgamated with another national securities regulator to form the Canadian Investment Regulatory Organization (“CIRO”).

² Although the penalty ordered by the CIRO Hearing Panel triggered a presumptive bar on any application by Mr. Dziadecki to reinstate his certification with FP Canada, due to his request for a Hearing and Review, the findings are not final and allegations pursuant to the Fitness Standards cannot be brought at this time.

THE STANDARDS COUNCIL'S INVESTIGATION

11. Mr. Dziadecki had a longstanding relationship with the principals of BioNorth Technology Group ("BioNorth"), who granted him inside information about BioNorth. He also had personal financial dealings with BioNorth. Notwithstanding this, Mr. Dziadecki sold or facilitated the sale of BioNorth SMIs to at least six (6) clients (the "Clients") and fourteen (14) other individuals, who invested a combined total of approximately \$1,380,000 into the BioNorth SMIs.
12. When selling or facilitating the sale of the BioNorth SMI, Mr. Dziadecki:
 - a. advised that the BioNorth SMI was "risk free" when it was not;
 - b. anticipated future commissions and personal financial benefits; and
 - c. did not disclose to the Clients the potential or actual conflicts that his relationship and financial dealings with BioNorth created, while acting as their financial planner; he also failed to obtain the Clients' consent to continue to act on their behalves in the circumstances.
13. The Client and other investors lost the entirety of their investments in the BioNorth SMIs, and suffered both financially and psychologically.

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 Leszek Dziadecki*.
15. The Standards Council requests that the hearing be held in writing.

APPLICABLE STANDARDS

Mr. Dziadecki's conduct occurred between 2015 and lasted through the fall of 2017; and the CIRO's Reasons for Decision are dated May 16, 2023. Accordingly, Mr. Dziadecki's conduct is governed by the *Standards of Professional Responsibility* in place between November 2014 and December 2018 and commencing in May 2022 and currently in force. 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 2015 and the fall of 2017, the Respondent introduced the opportunity to invest in the BioNorth syndicated mortgage investments (“SMIs”) to at least six (6) clients (the “Clients”), with the expectation of his own financial benefit, notwithstanding that he had a longstanding relationship with the principles of BioNorth as well as personal financial dealings with BioNorth. The Respondent failed to disclose to the Clients, in writing or otherwise, the potential or actual conflict of interest created by virtue of these relationships, and failed to obtain their written consent to continue acting on their behalves. The Respondent thereby failed to place his clients’ interests first and failed to act with fairness, contrary to Principles 1 and 5 and Rule 8 of the *Standards of Professional Responsibility* in place between November 2014 and May 2015; and Principles 1 and 5 and Rules 8 and 8.1 of the *Standards of Professional Responsibility* in place between June 2015 and December 2018.
2. Between 2015 and the fall of 2017, the Respondent consistently represented to his Clients that the BioNorth SMI was a “risk free” investment, when it was not. In making this representation to the Clients, the Respondent failed to put his clients’ interests first; failed to act with integrity, objectivity, fairness and diligence; engaged in conduct involving misrepresentation or knowingly making a misleading statement, and he failed to exercise reasonable and prudent professional judgement, contrary to Principles 1, 2, 3, 5, 7 and Rules 1 and 15 of the *Standards of Professional Responsibility* in place between November 2014 and December 2018.
3. Between 2015 and the fall of 2017, the Respondent consistently represented to fourteen (14) individuals that the BioNorth SMI was a “risk free” investment, when it was not. In making this representation to these investors, the Respondent failed to act with integrity and fairness and engaged in conduct involving misrepresentation or knowingly making a misleading statement, contrary to Principles 2 and 5 and Rule 1 of the *Standards of Professional Responsibility* in place between November 2014 and December 2018.
4. By being found by the CIRO Hearing Panel to have engaged in conduct that contravened MFDA Rules 1.1.1, 1.2.1(c), 2.1.1, and 1.1.2, as set out CIRO’s Reasons for Decision dated May 16, 2023, the Respondent failed to provide professional services in accordance with applicable laws, regulations, rules or established policies of other applicable authorities, contrary to Rule 24 of the *Standards of Professional Responsibility* commencing in May 2022 and currently in force.

Dated: April 26, 2024



Tamara Center

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

Appendix A

Standards of Professional Responsibility - November 2014 to May 2015

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 3: Objectivity

A CFP professional shall be objective when providing advice and/or services to clients.

Objectivity requires intellectual honesty, impartiality and the exercise of sound judgment, regardless of the services delivered or the capacity in which a CFP professional functions.

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

A CFP professional shall act diligently when providing advice and/or services to clients.

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.

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 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:

- a) An accurate and understandable description of the compensation arrangements being offered. This description must include information related to costs to the client and the form and source of compensation to the CFP professional and/or the CFP professional's employer, including any contingency or referral fees. Further, the description must include the terms under which the CFP professional and/or the CFP professional's employer may receive any other source of compensation and, if so, what the sources of these payments are and what they are based on;
- b) A general summary of likely conflicts of interest between the client and the CFP professional, the CFP 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 client;
- c) Any information about the CFP professional or the CFP professional's employer that could reasonably be expected to materially affect the client's decision to engage the CFP professional;
- d) Any information that the client might reasonably want to know in establishing the scope and nature of the relationship, including, but not limited to, information about the CFP professional's areas of expertise; and
- e) Contact information for the CFP professional and, if applicable, the CFP professional's employer.

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

Standards of Professional Responsibility - June 2015 to December 2018**Principle 1: Client First**

[No material change]

Principle 2: Integrity

[No material change]

Principle 3: Objectivity

[No material change]

Principle 5: Fairness

[No material change]

Principle 7: Diligence

[No material change]

Rule 1: Misrepresentation

[No material change]

Rule 8: Disclosure

[No material change]

Rule 8.1: Conflicts of Interest

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

- a) A CFP professional shall not provide services to a client where there is an existing conflict of interest between the CFP professional and the client; unless, after full written disclosure of the existing conflict of interest, the client makes the informed decision to engage the CFP professional notwithstanding the conflict. The CFP professional must obtain the client's written consent before providing services to the client. Such written consent must include a description of the conflict of interest and confirmation of the client's decision to proceed.
- 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.

Rule 15: Judgment

[No material change]

Standards of Professional Responsibility - May 2022 to Present

Rule 24: 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.