

## REPORT ON DISCIPLINARY ACTION

### Details of Hearing: Shafique (Shafik) Hirani, CFP® (Calgary, AB)

On November 12, 2019, an FP Canada Standards Council™ Discipline Hearing Panel accepted a Joint Settlement Agreement between the Standards Council and Shafique Hirani, CFP® professional, and ordered, among other penalties, that Mr. Hirani receive a three (3) month suspension on his certification with FP Canada™ commencing November 14, 2019 and ending February 14, 2020.

### Background

Mr. Hirani was certified by FP Canada as a CERTIFIED FINANCIAL PLANNER® (then the Financial Planning Standards Council®) professional in April 1998 and he has consistently renewed his certification. He does not have a prior discipline history with the Standards Council.

In September 2017, the Standards Council instructed an investigation into Mr. Hirani's conduct, following review of a news release issued by another financial services regulator.

### Admitted Conduct

In the Settlement Agreement with the Standards Council, Mr. Hirani admits, among other things, that he:

- Acted without integrity and professionalism, failed to place his clients' interests first, and failed to provide reasonable and prudent professional supervision, contrary to Rules 2 and 12 of the *Rules of Conduct*, and Principles 1, 2 and 8 of the *Code of Ethics*, when, between May 2014 and February 2015, he permitted or directed his assistants to accept and maintain 59 pre-signed account forms in respect of 27 clients;
- Failed to provide financial planning services with the degree of diligence expected from a CFP professional, contrary to Rules 2 and 12 of the *Rules of Conduct*, and Principles 1, 2, 7 and 8 of the *Code of Ethics*, when, between February 2015 and April 16, 2015, he and/or his assistants populated 364 client account application forms for clients, without ensuring that the information contained in the forms accurately reflected the clients' investment knowledge, time horizon, risk tolerance or investment objectives;
- Failed to meet his disclosure obligations and misled FP Canada, by failing to report that he was the subject of another regulator's investigation, when submitting his certification renewal application forms for the year 2016/2017, and 2017/2018, contrary to Rule 25 of the *Rules of Conduct*; and

- Failed to provide his professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, contrary to Rule 18 and 24 of the *Rules of Conduct*.

## Applicable Standard

The underlying conduct occurred between May 2014 and May 2019, and was, accordingly, governed by the:

- *Standards of Professional Responsibility for CFP Professionals and FPSC Level 1 Certificants in Financial Planning*, in force from March 2014-May 2017; and
- *Standards of Professional Responsibility for CFP Professionals and FPSC Level 1 Certificants in Financial Planning*, in force from January 1, 2019 to March 31, 2019; and
- *FP Canada Standards Council Standards of Professional Responsibility*, currently in force (since April 1, 2019).

## Hearing Panel Decision

The Hearing Panel determined that the Joint Settlement Agreement and proposed Penalty were reasonable and should be accepted in accordance with Article 6.7 of the *Disciplinary Rules and Procedures*.

In reaching this conclusion, the Hearing Panel noted, among other things, that while there was no evidence of client harm, the number of forms/files affected was concerning. Further, the Hearing Panel noted that Mr. Hirani had been previously warned by his employer regarding documentation deficiencies.

The Hearing Panel accepted the joint proposed Penalty and, on November 7, 2019, ordered that:

- I. Mr. Hirani's CFP certification and entitlement to use the CFP Marks be suspended for a period of three (3) months commencing November 14, 2019 and ending February 14, 2020. During the suspension, Mr. Hirani shall cease to use the CFP marks and/or hold himself out as a CFP professional;
- II. Prior to his reinstatement, in addition to completing the annual 25 hours of Continuing Education (CE) activities required of every CFP professional, Mr. Hirani shall, at his own expense, successfully complete the FP Canada Introduction to Professional Ethics program; and
- III. Mr. Hirani shall pay costs to FP Canada in the amount of \$3,000, on or before December 13, 2019.