

## REPORT ON DISCIPLINARY ACTION

### Details of Hearing: Troy Robert Nagy (Saskatoon, SK)

On February 17, 2020, an FP Canada Standards Council™ Discipline Hearing Panel accepted a Joint Settlement Agreement between the FP Canada Standards Council™ (the “Standards Council”) and Troy Robert Nagy, CFP® professional. The Panel ordered, among other penalties, that Mr. Nagy’s certification and entitlement to use the CFP® marks be suspended for a period of three months ending May 2020.

### Background

Mr. Nagy was certified by FP Canada™, then the Financial Planning Standards Council (FPSC®), as a CERTIFIED FINANCIAL PLANNER® professional in August 2004, and has consistently renewed his certification. He does not have a prior discipline history with the Standards Council.

### Admitted Conduct

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

- Failed to act diligently when providing advice and/or services to clients contrary to Principle 7 of the Code of Ethics, by failing to perform the necessary due diligence with respect to alternative investment products prior to recommending them to clients;
- Failed to exercise reasonable and prudent professional judgment and make only those recommendations that are both prudent and appropriate for the client contrary to Rules 15 and 16 of the Rules of Conduct, by making investment recommendations and implementing investment strategies that were not appropriate for clients given their limited investment knowledge and risk tolerance;
- Failed to act within the scope of engagement as per Rule 20 of the Rules of Conduct, by making monthly deposits from his personal funds into the bank account of clients;
- 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 2017/2018, and 2018/2019, contrary to Rule 25 of the Rules of Conduct; and
- Failed to provide professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, contrary to Rule 18 of the Rules of Conduct.

## Applicable Standard

The underlying conduct took place between May 2010 and March 2018. Accordingly, his conduct was governed by the:

- CFP Code of Ethics, in force from January 2010 to October 2011;
- Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered candidates, in force from November 2011 to February 2014;
- Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning, in force from March 2014 to September 2014;
- Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning, in force in October 2014;
- Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning, in force from November 2014 to May 2015;
- Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning, in force from June 2015 to February 2016;
- Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning, in force from March 2016 to May 2017; and
- Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning, in force from June 2017 to December 2018.

## FP Canada Standards Council 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*. The Hearing Panel accepted the joint proposed Penalty and, on February 17, 2020, ordered that:

- Mr. Nagy's CFP Certification and entitlement to use the CFP marks be suspended for a period of three (3) months, until May 17, 2020;
- Prior to Jun 1, 2020, in addition to completing the annual 25 hours of Continuing Education (CE) activities required of every CFP professional, Mr. Nagy shall, at his own expense, successfully complete the FP Canada Introduction to Professional Ethics (IPE) Program;
- Mr. Nagy provide proof of successful completion of IPE, to the Standards Council by June 1, 2020; and

- Mr. Nagy pay costs to FP Canada in the amount of \$1,250 on or before March 17, 2020.

As of March 13, 2020, Mr. Nagy has successfully completed the IPE Program and has paid full costs to FP Canada.