

## REPORT ON DISCIPLINARY ACTION

### Details of Hearing: Kris Starosta (Mississauga, ON)

On May 27, 2019, an FP Canada Standards Council™ Discipline Hearing Panel accepted a Joint Settlement Agreement between the Standards Council and Kris Starosta and ordered, among other penalties, that Mr. Starosta receive a Letter of Admonishment from the Hearing Panel.

### Background

Mr. Starosta was certified by FP Canada as a CERTIFIED FINANCIAL PLANNER® professional in June 2002, and remained certified until March 31, 2018, when his certification lapsed due to non-renewal. Mr. Starosta does not have a prior discipline history with FP Canada.

In April 2017, the Standards Council received a complaint regarding Mr. Starosta's conduct. The complaint included an allegation that Mr. Starosta knowingly created and provided to clients/potential clients an information sheet that contained false and/or misleading information about a syndicated mortgage investment.

### Admitted Conduct

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

- I. He acted without integrity and contrary to Principle 2 of the *Code of Ethics*, and made a false statement contrary to Rule 1 of the *Rules of Conduct*, when:
  - a. He provided an information sheet to one or more clients or potential clients promoting a syndicated mortgage investment that included a false claim that the investment was “*Capital fully guaranteed*”; and
  - b. He knew or ought to have known the claim was misleading.

### Applicable Standard

The underlying conduct occurred in 2013, and was, accordingly, governed by the:

- *Standards of Professional Responsibility for CFP Professionals and FPSC® Registered Candidates*, in force from November 2011 to February 2014

## 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 6.8 of the *Disciplinary Rules and Procedures*.

In reaching this conclusion, the Hearing Panel noted, among other things, that there was no evidence that any clients: invested in the syndicated mortgage product; or were harmed by Mr. Starosta's actions.

The Hearing Panel accepted the joint proposed Penalty and, on May 27, 2019, ordered that:

- I. Mr. Starosta receive a Letter of Admonishment from the Hearing Panel;
- II. Prior to applying for reinstatement of his certification, in addition to completing the annual 25 hours of Continuing Education (CE) activities required of every CFP professional, Mr. Starosta shall, at his own expense, successfully complete an additional two (2) hours of FP-Canada approved CE in the category of Professional Responsibility;
- III. FP Canada shall not reinstate Mr. Starosta until proof of completion of the CE credits ordered above, has been provided to FP Canada for each of the certification years that Mr. Starosta's certification is lapsed.

The Standards Council did not seek costs associated with this matter.