

FP Canada Standards Council™
And
Troy Hale, CFP®

STATEMENT OF ALLEGATIONS

THE CFP® PROFESSIONAL

1. Troy Hale ("Mr. Hale" or the "Respondent") was certified by FP Canada™, then the Financial Planning Standards Council (FPSC®), as a FPSC Level 1® Certificant in Financial Planning from August 1, 2013 to January 31, 2016 and obtained CFP® certification on February 1, 2016. Mr. Hale has consistently renewed his certification and, as of the date of this Statement of Allegations, is a CFP professional in good standing with FP Canada. Mr. Hale does not have a discipline history with FP Canada.
2. At the time of the alleged conduct, Mr. Hale was employed as a Financial Planner, Investment & Retirement Planning with BMO Investment Inc., operating his business in the Medicine Hat, Alberta area. Mr. Hale moved to IG Wealth Management in August of 2018 and is currently a Senior Financial Consultant with IG Wealth Management in Medicine Hat, Alberta.

HISTORY OF THE PROCEEDINGS

3. This matter came to the attention of the FP Canada Standards Council™ (the "Standards Council") when Mr. Hale reported, on his 2020/2021 CFP Renewal Application form, that the Mutual Fund Dealers Association of Canada ("MFDA") had opened an investigation into his conduct. Mr. Hale subsequently provided a Settlement Agreement between himself and the MFDA, dated December 14, 2020¹, which was accepted by the MFDA Hearing Panel on December 15, 2020², with Reasons for Decision issued on March 9, 2021³.

¹ <https://mfda.ca/settlement-agreement/sa202046/>

² <https://mfda.ca/case-order/order202046/>

³ <https://mfda.ca/reasons-for-decision/reasons202046/>

4. The MFDA Hearing Panel accepted the Settlement Agreement and found that Mr. Hale breached MFDA Rules 1.1.2, 2.1.1, 2.1.4 and 2.5.1 by processing transactions as redemptions and purchases rather than as switches, to meet sales targets established by his employer, and that he acted in a conflict of interest. The Hearing Panel ordered that Mr. Hale pay a fine of \$22,500 and costs of \$2,500.
5. Despite Mr. Hale receiving notice of the MFDA investigation on or around March 18, 2019, and notice of the escalation to enforcement on or around October 23, 2019, he failed to update FP Canada, within 15 business days, or at all between March 2019 and March 2020, as required. It was not until he completed his annual renewal application in March 2020, that Mr. Hale self-reported the MFDA investigation and referral to enforcement.
6. On April 6, 2021, the Standards Council initiated an independent investigation into Mr. Hale's conduct.
7. On October 6, 2021, the Conduct Review Panel ("CRP") convened and referred the allegations set out herein to a Hearing Panel.

NOTICE

8. Further to the direction of the CRP, and in accordance with Article 5.1 of the *FP Canada Standards Council Disciplinary Rules and Procedures*, 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 Troy Hale, CFP®*.
9. The Standards Council requests that the hearing in respect of this matter be held in writing.

APPLICABLE STANDARDS

10. The conduct subject to the allegations set out below occurred between November 2016 to October 2017; Mr. Hale failed to notify FP Canada of the change in his declaration between April 2019 and March 2020; and the findings were made by the MFDA Hearing Panel on December 15, 2020. Accordingly, Mr. Hale's conduct is governed by the *Standards of Professional Responsibility* in force between March 2016 and December 31, 2018 and between April 2019 and June 30, 2021. The applicable Principles and Rules are set out at **Appendix "A"**.

ALLEGATIONS

The Standards Council makes the following allegations against the Respondent:

1. Between November 2016 to October 2017, the Respondent processed 18 transactions in respect of 18 clients as redemptions and purchases, rather than as switches, to ensure that the transactions counted toward his sales targets established by his employer. By engaging in this conduct and placing his interests

first, the Respondent failed to make only those recommendations and implement those strategies that were prudent and appropriate for the clients and failed to act in his clients' best interests, contrary to Principles 1, 2, 3, 5 and 8 and Rules 2, 15, 16, 17 of the *Standards of Professional Responsibility* in force between March 2016 and December 31, 2018.

2. Between November 2016 to October 2017, the Respondent failed to disclose the conflict of interest to his clients, in writing or otherwise, arising from his decision to process transactions as redemptions and purchases as opposed to switches, in his own self-interest, and failed to obtain their written consent to continue acting on their behalves, contrary to Principles 1, 5 and Rules 8.1(b) and 10(a) of the *Standards of Professional Responsibility* in force between March 2016 and December 31, 2018.
3. Between April 2019 and March 2020, the Respondent failed to disclose to FP Canada, that he received notice, on or about March 18, 2019, that he was the subject of an MFDA investigation contrary to Rule 31(b) of the *Standards of Professional Responsibility* in force between April 2019 and June 2021.
4. By engaging in conduct that contravened MFDA Rules 1.1.2, 2.1.1, 2.1.4, and 2.5.1, as found by the MFDA by way of Order dated December 15, 2020, the Respondent failed to provide professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies or other applicable authorities, contrary to Rule 24 of the *Standards of Professional Responsibility* in force between January 2020 and June 2021.

Dated the 19th day of November, 2021

"Tamara Center"

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

APPENDIX “A”

Applicable Principles and Rules of the <i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificants in Financial Planning</i> , March 2016 (In force March 2016 to May 2017)	
<p>Principle 1: Client First</p> <p>A CFP professional shall always place the client’s interest first.</p> <p>Placing the client’s interests first requires the CFP professional to act honestly and to place the client’s interest ahead of his/her own and ahead of all other interest.</p>	
<p>Principle 2: Integrity</p> <p>A CFP professional shall always act with integrity.</p> <p>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.</p>	
<p>Principle 3: Objectivity</p> <p>A CFP professional shall be objective when providing advice and/or services to clients.</p> <p>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.</p>	
<p>Principle 5: Fairness</p> <p>A CFP professional shall be fair and open in all professional relationships.</p> <p>Fairness requires providing clients with what they should reasonably expect from a professional relationship, and includes honest and disclosure of all relevant facts, including conflicts of interest.</p>	
<p>Principle 8: Professionalism</p> <p>A CFP professional shall act in manner reflecting positively upon the profession.</p> <p>Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.</p>	
<u>Rule 2</u>	A CFP professional shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a CFP professional, the CFP marks or the profession.
<u>Rule 8.1</u>	When the services include financial planning or material elements of the financial planning process:

	<p>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.</p> <p>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 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. A CFP 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.</p>
<u>Rule 10</u>	<p>A CFP professional shall take all reasonable steps to ensure that the client is informed of material changes in circumstances that arise subsequently to the original engagement that may have an impact on the professional relationship or services to be rendered. Such changes may include, but are not limited to:</p> <ul style="list-style-type: none"> conflicts of interest; the CFP professional's business affiliation; compensation structures affecting the professional services to be rendered; and new or changed agency relationships.
<u>Rule 15</u>	<p>A CFP professional shall exercise reasonable and prudent professional judgement in providing financial planning.</p>
<u>Rule 16</u>	<p>A CFP professional shall make only those recommendations that are both prudent and appropriate for the client.</p>
<u>Rule 17</u>	<p>A CFP professional shall implement only those strategies that are both prudent and appropriate for the client which strategies the CFP professional must reasonably believe will not materially and negatively impact the client's best interests.</p>

Applicable Principles and Rules of the *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificants in Financial Planning*, June 2017 (In force June 2017 to December 2018)

Principle 1: Client First

A CFP professional shall always place the client’s interest first.

Placing the client’s interests first requires the CFP professional to act honestly and to place the client’s interest ahead of his/her own and ahead of all other interest.

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 8: Professionalism

A CFP professional shall act in manner reflecting 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 2

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

Rule 8.1

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

	<p>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.</p> <p>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.</p>
<u>Rule 10</u>	<p>A CFP professional shall take all reasonable steps to ensure that the client is informed of material changes in circumstances that arise subsequent to the original engagement that may have an impact on the professional relationship or services to be rendered. Such changes may include, but are not limited to:</p> <ul style="list-style-type: none"> a) conflicts of interest; b) the CFP professional's business affiliation; c) compensation structures affecting the professional services to be rendered; and d) new or changed agency relationships.
<u>Rule 15</u>	<p>A CFP professional shall exercise reasonable and prudent professional judgement in providing financial planning.</p>
<u>Rule 16</u>	<p>A CFP professional shall make only those recommendations that are both prudent and appropriate for the client.</p>
<u>Rule 17</u>	<p>A CFP professional shall implement only those strategies that are both prudent and appropriate for the client which strategies the CFP professional must reasonably believe will not materially and negatively impact the client's best interests.</p>

**Applicable Principles and Rules of the *Standards of Professional Responsibility*, April 1, 2019
(In force April 2019 to December 2019)**

<p><u>Rule 31</u></p>	<p>A Certificant shall meet all FP Canada requirements for continued certification, including:</p> <ul style="list-style-type: none"> a) Making full and accurate Legal Declarations when completing their Annual Renewal Form. Reportable items are outlined in the “Declarations and Professional Obligations” section of the certification renewal form and include consumer proposals and bankruptcy; involvement in civil proceedings; criminal convictions; court orders; and investigations or decisions by professional bodies and regulatory/licensing bodies; b) Advising FP Canada, in writing, of any changes to prior Legal Declarations within 15 days of becoming aware of new information; c) Using the Certification Marks in compliance with the rules and regulations of FP Canada, as established and amended from time to time; d) Complying with all continuing education/professional development requirements set by FP Canada; and e) Notifying FP Canada of any changes to the Certificant’s employment and/or contact information.
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**Applicable Principles and Rules of the *Standards of Professional Responsibility*, January 1, 2020
(In force January 1, 2020, to June 30, 2021)**

<p><u>Rule 24</u></p>	<p>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.</p>
<p><u>Rule 31</u></p>	<p>A Certificant shall meet all FP Canada requirements for continued certification, including:</p> <ul style="list-style-type: none"> a) Making full and accurate Legal Declarations when completing their Annual Renewal Form. Reportable items are outlined in the “Declarations and Professional Obligations” section of the certification renewal form and include consumer proposals and bankruptcy; involvement in civil proceedings; criminal convictions; court orders; and investigations or decisions by professional bodies and regulatory/licensing bodies; b) Advising FP Canada, in writing, of any changes to prior Legal Declarations within 15 days of becoming aware of new information;

	<ul style="list-style-type: none">c) Using the Certification Marks in compliance with the rules and regulations of FP Canada, as established and amended from time to time;d) Complying with all continuing education/professional development requirements set by FP Canada; ande) Notifying FP Canada of any changes to the Certificant's employment and/or contact information.
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