

FP Canada Standards Council™
and
Darryl Phippen, CFP®

AMENDED STATEMENT OF ALLEGATIONS

THE FORMER CFP® PROFESSIONAL

1. Darryl Phippen (“Mr. Phippen” or the “Respondent”) was certified by FP Canada™, then the Financial Planning Standards Council (FPSC®), as a CERTIFIED FINANCIAL PLANNER® professional in October 1996. ~~With the exception of a gap in certification between 2015 and 2017, he has~~ Mr. Phippen consistently renewed his certification. ~~As of the date of this Statement of Allegations, until March 31, 2022, when his certification was cancelled as he chose not to renew his certification. Phippen is a CFP professional in good standing with FP Canada. He~~ Mr. Phippen does not have a disciplinary history with FP Canada.
2. Mr. Phippen ~~has been~~ was registered with the Mutual Fund Dealers Association of Canada (“MFDA”) ~~since~~ from the early 1990s. ~~He is currently registered through Quadrus Investment Services Inc. Mr. until December 30, 2021. Mr.~~ Phippen has also been registered as an insurance agent in Ontario since in or around 1979, and has ~~been registered with the Insurance Council of British Columbia since 2019. Mr. Phippen has also~~ maintained a Chartered Life Underwriter (“CLU”) designation, which he obtained in 1986.
- ~~2. All of these licenses and designations remain current. Mr. Phippen has been also a member of the Ottawa Estate Planning Council for approximately 10 years.~~
3. ~~Mr. Phippen is currently an Area Senior Vice President at Gallagher Benefit Services Canada Inc.~~
4. Mr. Phippen is currently retired and resides in Ottawa, Ontario.

HISTORY OF THE PROCEEDINGS

5. This matter came to the attention of the FP Canada Standards Council™ (the “Standards Council”) when Mr. Phippen reported, on his 2014/2015 and 2015/2016 CFP® Renewal

Application Forms, that he was a named defendant in a civil proceeding¹ and then on his 2018/2019 CFP® Renewal Application Form that the proceeding had been concluded.

6. The proceeding at issue was commenced by the son and beneficiary of Mr. Phippen's deceased client, who alleged, amongst other things, that Mr. Phippen acted in a conflict of interest in his capacity as sole trustee and executor of his mother's estate. Mr. Phippen provided advice regarding his client's estate planning options, including the option to set up one or more monthly annuities for her son. The client passed away in October 2011.

7. In or around April 2013, Mr. Phippen submitted a claim, based on the allowable tariff rate for trustee compensation, for over \$100,000; however, (but Mr. Phippen did not ultimately ~~did not receive any~~ pursue claiming such fees).

6-8. On or about November 18, 2019, the Standards Council initiated an investigation into Mr. Phippen's conduct. The investigation was completed in July 2021.

7-9. On July 22, 2021, the Conduct Review Panel ("CRP") convened and referred the allegations set out herein to a Hearing Panel.

NOTICE

8-10. 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 Darryl Phippen, CFP®*.

9-11. The Standards Council requests that the hearing in respect of this matter be held in writing.

APPLICABLE STANDARDS

10-12. The conduct subject to the allegations set out below occurred between late 2010 and October 2011. Accordingly, Mr. Phippen's conduct is governed by the by the *Code of Ethics* in place between January 2010 and October 2011. The applicable Principles and Rules of the *Code of Ethics* are set out at **Appendix "A"**.

ALLEGATION

The Standards Council makes the following allegation against the Respondent:

1. Between late 2010 and October 2011, the Respondent acted as the financial planner and was named the executor and estate trustee for his client, without disclosing, in writing, the conflict of interest created by virtue of these relationships, and thereby failed to put his client's interests first, failed to act with objectivity and act with fairness,

¹ In accordance with the policy at the time, the matter was put in abeyance pending the outcome of the litigation matter.

and ~~acted in a conflict of interest and~~ failed to make written disclosure of the conflict, contrary to Principles ~~2 and~~ 4 and Rule ~~s 202, 401 and 403~~ of the Code of Ethics in force between January 2010 and October 2011.

Dated the ~~4th~~ ~~31st~~ day of ~~August, 2021~~ May, 2022

"Tamara Center"

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

APPENDIX "A"

Applicable Principles and Rules of the CFP® Code of Ethics, January 2010

~~Principle 2: Objectivity~~

~~A CFP professional shall be objective in providing financial planning to clients. Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which a CFP professional functions, a CFP professional should protect the integrity of his or her work, maintain objectivity, and avoid the subordination of his or her judgment, which would be in violation of this Code.~~

Principle 4: Fairness

A CFP professional shall perform financial planning in a manner that is fair and reasonable to clients, principals, partners, and employers and shall disclose conflicts of interest in providing such services.

Fairness requires impartiality, intellectual honesty, and disclosure of conflicts of interest. It involves a subordination of one's own feelings, prejudices, and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that one would want to be treated and is an essential trait of any professional.

~~Rule 202~~ ~~A CFP professional shall act in the interests of the client.~~

Rule 401 A CFP professional shall make timely written disclosure of all material information relative to the professional relationship. Written disclosures that include the following information are considered to be in compliance with this Rule:

- a. A statement indicating whether the CFP professional's compensation arrangements involve fee-for-service, commission, salary, or any combination of the foregoing. A CFP professional shall not hold out as a fee-for-service practitioner if the CFP professional receives commissions or other forms of economic benefit from other parties other than the client;

	<ul style="list-style-type: none"> b. Where financial products are used in implementing the planning strategy, the client must be informed of the basis upon which the CFP professional is compensated. To this end, the CFP professional is governed by the accepted sales disclosure guidelines and regulations covering securities, mutual funds, real estate, insurance and other financial products utilized in fulfilling the plan; c. A statement describing material agency or employment relationships a CFP professional (or his/her firm) has with third parties, including the nature of the compensation arrangements; d. A statement identifying conflicts of interest; and e. The information required by all laws and regulations applicable to the relationship in a manner complying with such.
<p>Rule 403</p>	<p>A CFP professional shall inform the client of changes in circumstances and material information that arise subsequent to the original engagement that may have an impact on the professional relationship or services to be rendered. Such changes include, but are not limited to:</p> <ul style="list-style-type: none"> a. conflicts of interest; b. the CFP professional's business affiliations; c. compensation structure affecting the professional services to be rendered; d. new or changed agency relationships.