

FP Canada Standards Council™
and
Lucia (Lucy) Arruda, CFP®

STATEMENT OF ALLEGATIONS

THE CFP® PROFESSIONAL

1. Lucia (Lucy) Arruda, CFP® (“Ms. Arruda” or the “Respondent”) was certified by the Financial Planning Standards Council®, now FP Canada™, as a CERTIFIED FINANCIAL PLANNER® professional on April 1, 2012. Ms. Arruda consistently renewed her certification and as of the date of this Statement of Allegations, her certification is in good standing. Ms. Arruda does not have a prior discipline history with the FP Canada Standards Council™ (the “Standards Council”).
2. Ms. Arruda has been registered as a Mutual Fund Dealer with Investors Group Wealth Management (“IG”) since November 18, 2009. As of the date of this Statement of Allegations, she remains employed by IG as a Senior Financial Consultant in Abbotsford, British Columbia.
3. Ms. Arruda currently resides in Rosedale, British Columbia.

HISTORY OF THE PROCEEDINGS

4. This matter came to the attention of the Standards Council when Ms. Arruda advised FP Canada, via email on August 12, 2019, that she was the subject of a client complaint to her employer, IG. The complainant, AT, and his spouse, JT, became clients of Ms. Arruda’s in May 2019, when she purchased a book of business from a colleague, MM.
5. On May 27, 2019, Ms. Arruda attended a meeting during which MM introduced AT to Ms. Arruda. JT was not present at this meeting. During this meeting, Ms. Arruda recommended to AT that he and JT purchase a specific type of mutual fund. AT agreed and told Ms. Arruda he was providing investment instructions on behalf of himself and his spouse. Ms. Arruda processed the transaction for JT without speaking to her, making a recommendation directly to her, or receiving instructions directly from her.

6. Prior to submitting the cheques received from AT for the investment, Ms. Arruda altered the cheques' payees and signed the initials of each of the clients, making it appear as though the clients had signed off on the amendments when they had not.
7. IG took internal action as a result of Ms. Arruda's conduct and also reported the matter to the Mutual Fund Dealer's Association of Canada ("MFDA").
8. Ms. Arruda subsequently entered into a Settlement Agreement with the MFDA dated March 16, 2021, which was accepted by the MFDA Hearing Panel on July 12, 2021. In the Settlement Agreement, Ms. Arruda admitted to processing a trade in the account of JT without discussing all the elements of the trade with the client contrary to MFDA Rules 2.3.1(b), 1.1.2, 2.5.1, and 2.1.1. She also admitted altering cheques received from AT for investment contrary to MFDA Rule 2.1.1. Ms. Arruda was fined \$12,000 and ordered to pay costs of \$2,500¹.
9. The Standards Council initiated an independent investigation into Ms. Arruda's conduct on September 29, 2021.
10. On September 15, 2022, the Conduct Review Panel ("CRP") convened and referred the allegations set out herein to a Hearing Panel.

NOTICE

11. Further to the direction of the CRP, and in accordance with Article 5.1 of the *FP Canada Standards Council Disciplinary Rules and Procedures* (DRP), 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 Lucia (Lucy) Arruda, CFP®*.
12. The Standards Council requests that the hearing be held in writing.

APPLICABLE STANDARDS

The underlying conduct occurred in May 2019 and Ms. Arruda was found to have contravened MFDA Rules in July 2021. Accordingly, Ms. Arruda's conduct is governed by the *Standards of Professional Responsibility* in effect between April 2019 to December 2019 and July 2021 to April 2022. The applicable Principles, Rules and Practice Standards of the *Standards of Professional Responsibility* are attached as **Appendix "A"**.

¹ 2021-03-16 - MFDA Settlement Agreement; [Order202110](#) | [MFDA](#); [Reasons202110](#) | [MFDA](#)

ALLEGATIONS

The Standards Council makes the following allegations against the Respondent:

1. In May 2019, the Respondent made an investment recommendation to AT and JT, without gathering information, directly from the clients, to know their financial situations, goals and/or objectives and without speaking with or meeting JT or obtaining instructions directly from JT, and thereby failed to act in the clients' best interests and failed to act with integrity, fairness, diligence or professionalism contrary to Principles 1, 2, 5, 7 and 8 and Practice Standards 3, 4 and 5 of the *Standards of Professional Responsibility* in force between April 2019 and December 2019.
2. In May 2019, the Respondent altered the payee identified on cheques provided by AT and forged AT and JT's initials to make it appear to her employer that the clients approved the alterations, and thereby engaged in conduct involving dishonesty, fraud, deceit, misrepresentation, or knowingly made a false or misleading statement. The conduct also reflects adversely on the Respondent's integrity or fitness as an FP Canada certificant; and her failure to exercise reasonable and prudent professional judgement and to act with integrity, fairness, diligence or professionalism, contrary to Principles 2, 5 and 8 and Rules 1, 2 and 21 of the *Standards of Professional Responsibility* in force between April 2019 and December 2019.
3. By being found by the MFDA to have engaged in conduct that contravened MFDA Rules 2.3.1(b), 1.1.2, 2.5.1, and 2.1.1, as set out in the MFDA's Order dated July 12, 2021, the Respondent failed to provide professional services in accordance with applicable laws, regulations, rules or established policies of other applicable authorities, contrary to Rule 24 of the *Standards of Professional Responsibility* in force between July 2021 and April 2022.

Dated: October 12, 2022

"Tamara Center"

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

APPENDIX “A”

Standards of Professional Responsibility for CFP Professionals and FPSC Level 1 Certificants in Financial Planning – April 2019 to December 2019

Principle 1: Duty of Loyalty to the Client

The Duty of Loyalty encompasses:

- The duty to act in the client’s interest by placing the client’s interests first. Placing the client’s interests first requires the Certificant place the client’s interests ahead of their own and all other interests;
- The obligation to disclose conflicts of interest and to mitigate conflicts in the client’s favour; and
- The duty to act with the care, skill and diligence of a prudent professional.

Principle 2: Integrity

A Certificant shall always act with integrity.

Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the Code of Ethics.

Principle 5: Fairness

A Certificant 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 7: Diligence

A Certificant shall act diligently when providing advice and/or services to clients.

Diligence is the degree of care and prudence expected from Certificants in the handling of their clients’ affairs. Diligence requires fulfilling professional commitments in a timely and thorough manner and taking due care in guiding, informing, planning, supervising, and delivering financial advice and/or services to clients.

Principle 8: Professionalism

A Certificant shall act in a 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 of Ethics.

Rule 1: A Certificant shall not engage in or associate with individuals engaged in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

**Standards of Professional Responsibility for CFP Professionals and FPSC Level 1
Certificants in Financial Planning – April 2019 to December 2019**

Rule 21: A Certificant shall always exercise reasonable and prudent professional judgment

Practice Standard 3: Identify the Client's Goals, Needs and Priorities

Discuss the client's personal goals, needs and priorities before identifying possible strategies or making recommendations.

Practice Standard 4: Gather the Client's Information

Gather sufficient quantitative and qualitative information relevant to the engagement before making and/or implementing any recommendations.

Practice Standard 5: Assess the Client's Current Situation

Identify and evaluate the strengths and weaknesses in the client's financial situation, perform required calculations, develop needed projections and analyze and integrate the resulting information relative to the client's personal goals, needs and priorities.

**Standards of Professional Responsibility for CFP Professionals and QAFP Professionals in
Financial Planning – July 2021 to April 2022**

Rule 24: 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