

***FP Canada Standards Council™***  
***and***  
***Kimberley Myles Larson, CFP®***

---

**STATEMENT OF ALLEGATIONS**

---

**THE CERTIFICANT**

1. Kimberley Myles Larson (“Mr. Larson” or the “Respondent”) was certified by the Financial Planning Standards Council®, now FP Canada™, as a CERTIFIED FINANCIAL PLANNER® professional in August 1999. Mr. Larson consistently renewed his certification which remains in good standing as of the date of this Statement of Allegations. Mr. Larson does not have a prior discipline history with the FP Canada Standards Council™ (the “Standards Council”).
2. Mr. Larson was employed by Hub Capital Inc. (“Hub Capital”) from January 2003 until March 2022. As of the date of this Statement of Allegations, Mr. Larson is employed at Kim Larson Financial Services Inc., as a life insurance agent.
3. Mr. Larson resides in Provost, Alberta.

**BACKGROUND OF THE PROCEEDINGS**

4. When completing his 2022/2023 CFP® Renewal Application Form on February 28, 2022, Mr. Larson advised that he was the subject of an investigation by the Mutual Fund Dealers Association of Canada (“MFDA”), with respect to his professional conduct.
5. Notwithstanding that Mr. Larson was advised on October 12, 2021 that the MFDA was reviewing his conduct, he did not report the matter to FP Canada until February 28, 2022, approximately four (4) months later, when applying to renew his certification.

## A. Other Relevant Proceedings

6. On July 28, 2023, the Canadian Investment Regulatory Organization (“CIRO”)<sup>1</sup> published a [Notice of Hearing](#) alleging that between July 2009 and September 2016, Mr. Larson:
  - a. engaged in securities-related business that was not carried on for the account of Hub Capital or conducted through its facilities by recommending, selling, or facilitating the sale of limited partnership units and promissory notes to clients and other individuals;
  - b. made referrals in respect of limited partnership units and promissory notes and received compensation for doing so, thereby participating in a referral arrangement to which Hub Capital was not a party; and
  - c. engaged in an unapproved outside business activity in relation to limited partnership units and promissory notes.
7. The first appearance before the CIRO Tribunal was on November 8, 2023, and a hearing has been scheduled for August 6 to 8, 2024.

## B. FP Canada Proceedings

8. The Standards Council initiated an independent investigation into Mr. Larson’s conduct as a CFP Certificant on February 8, 2023.
9. While employed at Hub Capital, Mr. Larson’s friend and client, CC, asked Mr. Larson to see if his clients were interested in investing in hotels owned by CC (“CC’s corporation”) through limited partnership units and promissory notes.
10. Between 2009 and 2016, Mr. Larson referred approximately 70 investors to CC and CC’s corporation. Of these investors, approximately 20 were Mr. Larson’s financial planning clients (the “Clients”). The Clients invested approximately \$3.6 million and Mr. Larson received approximately \$180,000 in referral fees in connection with their investments<sup>2</sup>. Mr. Larson and his son also invested in CC’s corporation.
11. While at least one hotel was successful, a number of the hotels were not successful and many investors lost significant amounts of money.
12. On February 13, 2024, the Conduct Review Panel (“CRP”) convened and referred the allegations set out herein to a Hearing Panel.

---

<sup>1</sup> The MFDA and Investment Industry Regulatory Organization of Canada (IIROC) merged, and the new entity is now called CIRO.

<sup>2</sup> The total amount invested by the Clients and other investors was approximately \$13.5 million and Mr. Larson received referral fees totaling approximately \$676,000, representing 5% of the total amount.

## NOTICE

13. 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 Kimberley Myles Larson, CFP®*.
14. The Standards Council requests that the hearing be held in writing.

## APPLICABLE STANDARDS

Mr. Larson's underlying conduct occurred between July 2009 and September 2016. Accordingly, his conduct is governed by the *Code of Ethics* and the *Standards of Professional Responsibility* in effect between April 2005 and May 2017. The applicable Principles and Rules of the *Standards of Professional Responsibility* are attached at **Appendix "A"**.

## ALLEGATIONS

The Standards Council makes the following allegations against the Respondent:

1. Between July 2009 and September 2016, the Respondent had a personal and professional relationship with his client, CC, and referred approximately 20 clients (the "Clients") to CC for the purposes of investing in CC's corporation, in which the Respondent and his son personally invested as well. The Respondent failed to disclose to the Clients, in writing or otherwise, the potential or actual conflict of interest that his relationship with CC, and his financial dealings and personal investment in CC's corporation created, while acting as their financial planner, nor did he obtain the Clients' consent to continue with the engagements in the face of the conflict. By engaging in this conduct, the Respondent also failed to act with fairness, objectivity and to put his clients' interests first, contrary to Principles 2 and 4 and Rules 202, 401 and 403 of the *Code of Ethics* in effect between April 2005 and October 2011; Principles 1, 3 and 5 and Rule 8(b) and 10 of the *Standards of Professional Responsibility* in effect between November 2011 and May 2015; and Principles 1, 3 and 5 and Rules 8(b), 8.1 and 10 of the *Standards of Professional Responsibility* in effect between June 2015 and May 2017.
2. Between July 2009 and September 2016, the Respondent did not disclose to the Clients, in writing or otherwise, the specific compensation arrangements (i.e. referral fees he received) in connection with their investments into CC's corporation, and thereby failed to act with with fairness, objectivity and to put his clients' interests first, contrary to Principles 2 and 4 and Rules 202 and 401 of the *Code of Ethics* in effect between April 2005 and October 2011; Principles 1, 3 and 5 and Rule 8(a) of the *Standards of Professional Responsibility* in effect between

November 2011 and May 2015; and Principles 1, 3 and 5 and Rule 8(a) of the *Standards of Professional Responsibility* in effect between June 2015 and May 2017.

3. Between July 2009 and September 2016, the Respondent failed to provide fulsome disclosure regarding the risks of investing in CC's corporation to the Clients, and thereby failed to act with fairness, objectivity and to put his clients' interests first, contrary to Principles 2 and 4 and Rule 202 of the *Code of Ethics* in effect between April 2005 and October 2011; Principles 1, 3 and 5 and of the *Standards of Professional Responsibility* in effect between November 2011 and May 2015; and Principles 1, 3 and 5 of the *Standards of Professional Responsibility* in effect between June 2015 to May 2017.
4. Between October 2021 and February 2022, the Respondent failed to report the investigation by another regulator to FP Canada, within 15 days, contrary to Rule 33(b) of the *Standards of Professional Responsibility* in effect from July 2021 to April 2022.

Dated: March 28, 2024



---

Tamara Center

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

# Appendix A

## *Code of Ethics from April 2005 to October 2011*

### **Principle 2: Objectivity**

A CFP licensee shall be objective in providing professional services 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 licensee functions, a CFP licensee should protect the integrity of his or her work, maintain objectivity, and avoid subordination of his or her judgment that would be in violation of this Code.

### **Principle 4: Fairness**

A CFP licensee shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers and shall disclose conflict(s) of interest in providing such services.

Fairness requires impartiality, intellectual honesty, and disclosure of conflict(s) 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 you would want to be treated and is an essential trait of any professional.

### **Rule 202:**

A CFP licensee shall act in the interests of the client.

### **Rule 401:**

A financial planning practitioner 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 licensee's compensation arrangements involve fee-only, commission-only, salary, fee and commission, or salary and commission. A CFP licensee shall not hold out as a fee-only practitioner if the CFP licensee receives commissions or other forms of economic benefit from parties other than the client.
- b) Where financial products are used in implementing the planning strategy, the client must be informed of the basis upon which the CFP licensee is compensated. To this end, the CFP licensee 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 licensee (or firm) has with third parties, including the nature of the compensation arrangements.
- d) A statement identifying any conflict(s) of interest.
- e) The information required by all laws and regulations applicable to the relationship in a manner complying with such.

**Rule 403:**

In rendering professional services, a CFP licensee 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:

- a) conflict(s) of interest;
- b) the CFP licensee's business affiliation;
- c) compensation structure affecting the professional services to be rendered;
- d) new or changed agency relationships.

***Standards of Professional Responsibility from November 2011 to May 2015***

**Principle 1: Client First**

A CFP professional shall always place the client's interests first.

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

**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.

**Rule 8:** When the services include financial planning or material elements of the financial planning process, a CFP professional shall disclose the following information in writing to the client:

- a) An accurate and understandable description of the compensation arrangements being offered, This description must include information related to costs to the client and the form and source of compensation to the CFP professional and/or the CFP professional's employer, including any contingency or referral fees. Further, the description must include the terms under which the CFP professional and/or the CFP professional's employer may receive any other source of compensation and, if so, what the sources of these payments are and what they are based on:
- b) A general summary of likely conflicts of interest between the client and the CFP professional, the CFP professional's employer, or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the CFP professional or the CFP professional's employer that has a potential to materially affect the relationship with the client;

...

**Rule 10:**

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:

- 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.

***Standards of Professional Responsibility from June 2015 to May 2017***

**Principle 1: Client First**

*[No material change]*

**Principle 3: Objectivity**

*[No material change]*

**Principle 5: Fairness**

*[No material change]*

**Rule 8b):** *[No material change]*

**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 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.
  
- 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.

**Rule 10:**

*[No material change]*

### ***Standards of Professional Responsibility from July 2021 to April 2022***

**Rule 33:** A Certificant shall meet all FP Canada requirements for continued certification, including:

...

- b) Advising FPSC, in writing, of any changes to prior Legal Declarations within 15 days of becoming aware of new information;

...