

FP Canada Standards Council™
and
Aaron Ui, CFP®

STATEMENT OF ALLEGATIONS

THE CFP® PROFESSIONAL

1. Aaron Ui (“Mr. Ui” or the “Respondent”) was certified by the Financial Planning Standards Council®, now FP Canada™, as a CERTIFIED FINANCIAL PLANNER® professional in 2006. Mr. Ui has consistently renewed his certification and, as of the date of this Statement of Allegations, is a CFP professional in good standing. Mr. Ui does not have a prior discipline history with the FP Canada Standards Council™ (the “Standards Council”).
2. Mr. Ui has been in the financial services industry since 2001. In December 2012, Mr. Ui joined FS Strategies as an independent contractor and remained there until February 2017, when the British Columbia Securities Commission (“BCSC”) imposed orders to cease trading in any securities of FS Strategies.
3. Since 2012, Mr. Ui has owned and operated his own company, Pure Au Financial Services Inc. (“Pure Au”), which has and continues to offer financial planning services to corporate and individual clients. The company operates out of Vancouver, British Columbia, where Mr. Ui resides.

HISTORY OF THE PROCEEDINGS

4. This matter came to the attention of the Standards Council when Mr. Ui reported, on his 2020/2021 CFP® Renewal Application form, that he, Pure Au and others, were the subject of civil litigation commenced by his former financial planning client, SW. SW’s claim alleged, among other things, that Mr. Ui recommended that he make two investments, totaling \$750,000 into FS Financial Services (Alberta) Inc. (“FS Alberta”), in the form of loan agreement investments (the “Loan Agreements”).
5. The Standards Council initiated an investigation into Mr. Ui’s conduct on January 14, 2022.

6. The investigation revealed that when Mr. Ui introduced his client, SW, to FS Strategies, for the purposes of investing in the Loan Agreements,:
 - a. SW reasonably believed that he was Mr. Ui's client, and Mr. Ui did not clearly explain his role;
 - b. Mr. Ui did not explain the nature of the Loan Agreement investment to SW i.e., that they were unsecured loans to FS Strategies used for FS Strategies' expenses; and
 - c. Mr. Ui did not make SW aware of the risks associated with an unsecured loan.
7. The company that SW invested in via the Loan Agreements, FS Alberta, was a company that was a part of a larger group of companies, identified by the BCSC as the "FS Group". In the Findings and Decision dated April 22, 2020¹, the BCSC found that the FS Group:
 - a. raised \$47 million without disclosing the true financial condition of FS Strategies² to investors;
 - b. engaged in illegal distributions of securities;
 - c. engaged in unregistered trading; and
 - d. breached a BCSC undertaking.

Mr. Ui was not a named Respondent in the BCSC proceedings.
8. The investigation also revealed that Mr. Ui introduced at least six (6) clients to the Loan Agreement investment opportunity, was present at investor meetings where the Loan Agreement was presented and signed as the witness on the Loan Agreements. Mr. Ui engaged in such conduct without performing the necessary due diligence to understand the investment and the true financial position of the FS Group.
9. In or about October 2022, the civil litigation commenced by SW against Mr. Ui was settled.³
10. On December 13, 2022, the Conduct Review Panel ("CRP") convened and referred the allegations set out herein to a Hearing Panel.

¹ [BCSC Findings and Decision - April 22, 2020](#)

² FS Strategies' expenses exceeded revenue each year yet the Directors of FS Strategies did not disclose FS Strategies' financial situation to potential investors. By 2013, FS Strategies' revenue was insufficient to cover interest payments to investors, yet interest payments continued to be made; and new investor money obtained via loan agreements was used to pay interest to other investors.

³ The terms of the settlement are confidential.

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 Aaron Ui, CFP®*.
12. The Standards Council requests that the hearing be held in writing.

APPLICABLE STANDARDS

The underlying conduct occurred between October 2014 and February 2017. Accordingly, Mr. Ui's conduct is governed by the *Standards of Professional Responsibility* in effect between October 2014 and May 2017. The applicable Principles and Rules of the *Standards of Professional Responsibility* are attached as **Appendix "A"**.

ALLEGATIONS

The Standards Council makes the following allegations against the Respondent:

1. Between October 2014 and February 2017, the Respondent failed to ensure that his client, SW, was aware of: the nature of their relationship; the nature of the investments he was introducing SW to; and of the risks associated with the investments, and he thereby failed to place the client's interest first and to act with fairness and diligence, contrary to Principles 1, 5 and 7 of the *Standards of Professional Responsibility* in effect between October 2014 and May 2017.
2. Between March 2016 and February 2017, the Respondent introduced his client, SW, to the Directors of FS Strategies, for the purposes of investing, without performing the necessary due diligence to understand the investment and the true financial position of the FS Group, and he thereby failed to act diligently contrary to Principle 7 of the *Standards of Professional Responsibility* in force between March 2016 and May 2017.
3. Between November 2014 and February 2017, the Respondent associated with the Directors of FS Strategies who were found to have made misrepresentations to investors regarding the FS Group's financial position, and thereby associated with individuals engaged in conduct involving dishonesty and misrepresentations, contrary to Rule 1 of the *Standards of Professional Responsibility* in force between November 2014 and May 2017.
4. Between in or around 2014 and February 2017, the Respondent introduced at least six (6) clients to the FS Group for the purposes of investing and witnessed at least two (2) clients' Loan Agreements, thereby associating with the illegal distribution of securities and engaging in conduct that reflects adversely on his integrity or fitness as a CFP

professional, the CFP marks, or the profession, contrary to Rule 2 of the *Standards of Professional Responsibility* in force between November 2014 and May 2017.

Dated: January 25, 2023



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

Appendix A

Applicable Principles and Rules of the *Standards of Professional Responsibility for CFP® Professionals and FPSC® Level 1 Certificants in Financial Planning* – October 2014 to May 2017

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/her own and ahead of all other interests.

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 7: Diligence

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

Diligence is the degree of care and prudence expected from CFP professionals 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.

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.

Applicable Principles and Rules of the *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning* – November 2014 to May 2015

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

Applicable Principles and Rules of the *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning* – June 2015 to May 2017

Rule 1: A CFP professional 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.