



## REPORT ON DISCIPLINARY ACTION

### Details of Hearing: Mo Movassaghi (Vancouver, BC)

By way of Decision and Reasons dated December 18, 2020, an FP Canada Standards Council™ Discipline Hearing Panel (the “Hearing Panel”) found that Mo Movassaghi engaged in conduct that breached the CFP® *Code of Ethics and Rules of Conduct*. Following a further hearing to determine the appropriate sanctions, on March 23, 2021, the Hearing Panel ordered, among other penalties, that, effective immediately, Mr. Movassaghi is permanently banned from seeking renewal or reinstatement of his CFP® certification or any other certification with FP Canada™. The Hearing Panel’s Decision and Reasons and Decision and Reasons on Penalty are summarized below and are attached.

### Background

Mr. Movassaghi was certified by the Financial Planning Standards Council®, now FP Canada, between February 2015 and March 2017 when he voluntarily allowed his certification to lapse. Mr. Movassaghi does not have a prior discipline history with FP Canada.

In November 2016, Mr. Movassaghi reported to FP Canada that he was the subject of a client complaint by a former client and that his conduct was under review by the Investment Industry Regulatory Organization of Canada (IIROC). In or around the same time, the Standards Council received a complaint from the same client directly.

The Standards Council instructed an investigation into Mr. Movassaghi’s conduct as a CFP® Certificant, in January 2017. The matter was considered by the Conduct Review Panel on December 18, 2019 and referred to a Hearing Panel. The Standards Council issued a Request for Hearing on January 31, 2020. The Hearing Panel convened on November 18, 2020 to deliberate on the merits and on March 10, 2021 to deliberate on penalty.

### Applicable Standard

The underlying conduct took place between February 2015 and August 2016. Accordingly, Mr. Movassaghi’s conduct was governed by the:

- *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning*, in force from November 2014 to May 2015
- *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificant in Financial Planning*, in force from June 2015 to February 2016
- *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificant in Financial Planning*, in force from March 2016 to May 2017

## FP Canada Standards Council Hearing Panel Decision

The parties exchanged affidavit evidence and cross-examinations were conducted on the affidavits before the Hearing Panel, by video-conference, on August 19, 2020. The Hearing Panel convened on November 18, 2020 and considered the affidavit evidence, the transcript from the cross-examinations as well as written submissions from the Standards Council and Mr. Movassaghi and released its Decision and Reasons on December 18, 2020.

In accordance with Article 8.1 of the FP Canada Standards Council *Disciplinary Rules and Procedures* (the “DRP”), the Hearing Panel determined that Mr. Movassaghi (the Respondent) engaged in professional misconduct as follows:

1. In August 2016, the Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.’s signature on 9 (nine) documents to effect the transfer of her accounts from Investors Group (IG) to Harbourfront, contrary to Principles 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from March 2016 to May 2017.
2. Between April and October 2015, the Respondent engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client’s interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.’s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016.
3. Between April 2015 and June 2016, the Respondent failed to act with integrity, fairness, and in a manner that reflects positively upon the profession, failed to exercise reasonable and prudent professional judgment and failed to recommend and implement only those strategies that were prudent and appropriate for his client, K.O., in that he failed to ensure that she was invested in funds that were consistent with her actual risk tolerance and investment profile, rather than the risk tolerance and profile which were amended without her knowledge or authorization, contrary to Principles 1, 2, 3, 5 and 8 of the *Code of Ethics* and Rules 2, 15, 16, and 17 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.
4. Between April 2015 and June 2016, the Respondent engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client’s interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he falsified trading instructions and supporting notes, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

5. Between February 1, 2015 and August 2016, the Respondent failed to disclose the conflict of interest to K.O. arising from the fact that he was both her landlord and her financial planner and failed to obtain K.O.'s written consent to continue managing her investments, contrary to Principles 1, 2 and 5 of the *Code of Ethics* and Rules 2, 8, 8.1 (effective June 2015), 9 and 10 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.
6. The Respondent was found to have engaged in conduct contrary to IIROC Dealer Member Rules 29.1 (now Consolidated Rule 1400) and 42 by an IIROC Hearing Panel in its Reasons for Decision dated August 25, 2017, for the period July to September 2016, thereby breaching Rule 18 of the *Rules of Conduct* in force between March 2016 and May 2017.

On March 23, 2021, pursuant to its authority under Rule 8.2 of the DRP, the Hearing Panel ordered that:

- Effective immediately, Mr. Movassaghi is permanently banned from seeking renewal or reinstatement of his CFP® certification or any other certification with FP Canada™;
- Effective immediately, Mr. Movassaghi is permanently banned from using the CFP certification marks and/or holding himself out as a CFP certificant; and
- Mr. Movassaghi is required to pay costs to FP Canada in the amount of \$15,000 which costs are due to FP Canada on or before May 24, 2021.

## **DISCIPLINARY HEARING PANEL DECISION AND REASONS**

*IN THE MATTER OF FP CANADA STANDARDS COUNCIL™*  
*AND*  
*MO MOVASSAGHI*

Hearing held on: November 18, 2020 (by videoconference)

Hearing Panel: **FP Canada Disciplinary Hearing Panel**  
Stuart Dollar, CFP®, Chair of the Hearing Panel  
Timothy Bertrand, CFP®  
Albert Pelletier

Also Present: Bernard LeBlanc, Independent Legal Counsel to the Hearing Panel  
Jessica Sutharsan, Secretary to the Hearing Panel

- 
1. The FP Canada Disciplinary Hearing Panel (the “Panel”) met by videoconference on Wednesday, November 18, 2020 to consider the following matters:
    - a. An allegation of bias made against this Panel by Mr. Movassaghi (also referred to in these reasons as the “Respondent”) through his counsel;
    - b. Allegations of professional misconduct made against Mr. Movassaghi by FP Canada Standards Council (the “Standards Council”) as described more particularly below; and
    - c. A motion by counsel for Mr. Movassaghi asking for the following:
      - i. Leave to admit into the record a transcript of an interview of Ms. Anastasiia Babarika, held on October 31, 2019 at the Mutual Fund Dealers’ Association (MFDA) Pacific Regional Office in Vancouver, as part of their investigation into the conduct of Mr. Movassaghi, and
      - ii. Adjournment of this matter until January 21, 2021, at which time the continuation of the MFDA hearing into Mr. Movassaghi’s conduct is scheduled to be held.
  2. The parties were not present during the videoconference on November 18, 2020. The hearing was held on the basis of the parties’ written submissions, affidavits filed with the Panel, and a transcript of cross-examinations on those affidavits held by videoconference on August 19, 2020 in the presence of the Panel.
  3. Throughout these proceedings, the Standards Council has been represented by its lawyer, Ms. Tamara Center. Mr. Movassaghi has been represented by his lawyer, Mr. Bobby Movassaghi.

4. The Standards Council has also made the following request of this Panel, which we agree to:

The Standards Council also take this opportunity to request that the Reasons for Decision of the Hearing Panel use initials for K.O. (or another method of anonymizing her name) in order to protect the identity of that witness.

5. The allegations of professional misconduct made against Mr. Movassaghi are set out in the Request for Hearing Panel dated January 31, 2020 as follows:

The Standards Council makes the following allegations against the Respondent:

1. In August 2016, the Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.'s signature on 9 (nine) documents to effect the transfer of her accounts from Investors Group (IG) to Harbourfront, contrary to Principles 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from March 2016 to May 2017.
2. Between April and October 2015, the Respondent:
  - a. engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client's interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.'s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016; or, in the alternative;
  - b. failed to provide reasonable and prudent professional supervision of, and/or direction to, one of the subordinates to whom he assigned responsibility for service of his client, K.O., in that one of his staff forged his client, K.O.'s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rule 12 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016.
3. Between April 2015 and June 2016, the Respondent failed to act with integrity, fairness, and in a manner that reflects positively upon the profession, failed to exercise reasonable and prudent professional judgment and failed to recommend and implement only those strategies that were prudent and appropriate for his client, K.O., in that he failed to ensure that she was invested in funds that were consistent with her actual risk tolerance and investment profile, rather than the risk tolerance and profile which were amended without her knowledge or authorization, contrary to Principles 1, 2, 3, 5 and 8 of the *Code of Ethics* and Rules 2, 15, 16, and 17 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

4. Between April 2015 and June 2016, the Respondent:

- a. engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client's interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he falsified trading instructions and supporting notes, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017; or, in the alternative;
- b. failed to provide reasonable and prudent professional supervision of, and/or direction to, one of the subordinates to whom he assigned responsibility for service of his client, K.O, in that one of his staff falsified trading instructions and supporting notes, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rule 12 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

5. Between February 1, 2015 and August 2016, the Respondent failed to disclose the conflict of interest to K.O. arising from the fact that he was both her landlord and her financial planner and failed to obtain K.O's written consent to continue managing her investments, contrary to Principles 1, 2 and 5 of the *Code of Ethics* and Rules 2, 8, 8.1 (effective June 2015), 9 and 10 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

6. The Respondent was found to have engaged in conduct contrary to IIROC Dealer Member Rules 29.1 (now Consolidated Rule 1400) and 42 by an IIROC Hearing Panel in its Reasons for Decision dated August 25, 2017, for the period July to September 2016, thereby breaching Rule 18 of the *Rules of Conduct* in force between March 2016 and May 2017.

- 6. During our deliberations, on December 10, 2020, Mr. Movassaghi made a motion to admit transcripts of evidence given at the MFDA hearing into his conduct on October 19, 20 and 23, 2020. Specifically, Mr. Movassaghi sought leave to admit into evidence transcripts of the evidence of K.O., Mr. Samuel Harris, Ms. Kindle Blythe, and Ms. Ana Babarika.
- 7. Mr. Movassaghi also made an additional allegation of bias against the Panel, which we will discuss with the allegation of bias he made in his written submissions.

## **Allegations of bias**

8. Before addressing the allegations of misconduct made against Mr. Movassaghi, and the motion brought by his counsel, this Panel must address two allegations of bias made by Mr. Movassaghi. The first was made in Mr. Movassaghi's counsel's written submissions:

Mr. Chair and members of the Panel, before I formally provide my submission, I would like to point out that you have been retained by Financial Planning Standard Council (FPSC) to decide this matter on its merits. FPSC is one of the parties to this proceeding. The inherent bias that you are being asked to rule on a matter in which the party that is paying you is also a party in proceeding to the proceeding, could not be any more clear and obvious. This is not only an appearance of bias or lack of impartiality; it is perhaps the clearest display of both.

9. In a later email, sent on December 10, 2020, Mr. Movassaghi made a further allegation of bias:

But then with an all white panel, white staff, and white perpetrators, how can an innocent middle eastern person expect a fair process?

10. Neither Mr. Movassaghi nor his counsel asks for any relief in respect of these allegations. Still, we feel compelled to address these allegations because allegations of bias concern the integrity of the members of this Panel, and concerns the fairness of this proceeding.
11. Regarding Mr. Movassaghi's first allegation of bias, no member of this Panel is biased against or in favour of any party to this matter. No member of this Panel has been retained by Financial Planning Standards Council (FPSC), now FP Canada. Nor are any members of this Panel employed by FP Canada in any capacity, paid or otherwise. Rather, each member of this Panel is an unpaid volunteer. We give our time to serve on FP Canada discipline panels such as this one without payment or compensation from FP Canada or anyone else.
12. At most, members of discipline panels who hold the CFP® designation, including two on the present panel, may receive some continuing education credits for work on discipline panels. These credits can be used towards satisfying the continuing education requirements for maintaining the CFP® designation. Members of the public do not receive continuing education credits from FP Canada because they do not hold the CFP® designation.
13. Discipline Hearing Panel members are drawn from a roster of volunteers. Three members serve on each panel. One of those members cannot be a CFP® professional. This is done to help ensure that discipline panels reflect the views of the public at large, rather than exclusively those of the financial planning profession.

14. Discipline hearings are also conducted pursuant to rules that FP Canada sets out in its *Disciplinary Rules and Procedures* (DRP). The Introduction to these rules demonstrates their intent to promote a fair process for all parties:

The purpose of the DRP is to:

1. Establish fair processes that consider the interests of the public, the financial planning profession, and the individual certificant;
2. Ensure processes and proceedings are clear, understandable, timely and transparent; and
3. Allow certificants to participate in the process, with or without legal representation.

15. The Panel therefore finds that there is no merit to the first allegation of bias.

16. Mr. Movassaghi's second allegation of bias was made without any evidence to support it.

Regarding that allegation, this Panel based its decision and reasons on the law and evidence. We conducted our deliberations according to the rules that FP Canada has established as well as more fundamental principles of justice and fairness for all parties. Mr. Movassaghi's background, which is essentially unknown to the Panel, has not entered into our deliberations in this case, and has nothing to do with our decision and reasons.

17. For these reasons, we reject the submission from Mr. Movassaghi and his counsel that this Panel is biased, or that there is a reasonable apprehension of bias.

**Mr. Movassaghi's motion: request to admit the transcript of the MFDA's Babarika interview**

18. Mr. Movassaghi made two requests under a motion submitted to FP Canada via email on November 16, 2020, two days before this Panel was to meet to deliberate on this matter. Mr. Movassaghi first asked, through his counsel, to make oral submissions in support of his motions, a request that the Panel denied.<sup>1</sup>
19. On his motions, Mr. Movassaghi first requested leave to admit into the record a transcript of an interview of Ms. Anastasiia Babarika, held on October 31, 2019 at the Mutual Fund Dealers' Association (MFDA) Pacific Regional Office in Vancouver, as part of their investigation into the conduct of Mr. Movassaghi.
20. Ms. Babarika was an assistant to Mr. Movassaghi and to Mr. Movassaghi's associate, Ms. Kindle Blythe, while the complainant, K.O. was a client of Mr. Movassaghi's. It is therefore reasonable to believe that she may have been able to provide relevant evidence in this

---

<sup>1</sup> See the Panel's decision and reasons dated October 9, 2020.



hearing. Still, Mr. Movassaghi only sought to introduce evidence from her two days before the Hearing date, and well past the time for introducing evidence. The time for introducing evidence was the video-hearing on August 19, 2020 when the cross-examinations were held before this Panel.

21. The transcript of the Babarika interview carries the following notice:

Reproduction of this transcript is strictly prohibited without the express written consent of the Mutual Fund Dealers Association of Canada.

22. This notice reflects the fact that the MFDA conducted its own investigation into Mr. Movassaghi, including the interview of Ms. Babarika. As such, the MFDA owns the transcript of that interview, and maintains some control over how that transcript may be used.
23. The general rule governing transcripts of interviews made during a regulatory body's investigation is that they are made available to opposing counsel to help them make full answer and defence to the charges their client is facing in that regulatory body's proceeding, but may not be used in any other proceeding without the investigating regulatory body's written permission. That restriction covers this case, since Mr. Movassaghi is trying to introduce into this proceeding a transcript of an interview made as part of the MFDA's investigation.
24. There is also nothing before us to show that Mr. Movassaghi ever asked for and obtained the MFDA's permission to use the Babarika transcript in this proceeding.
25. Counsel for Mr. Movassaghi made a similar motion during the cross-examination of K.O. on August 19, 2020, when he sought leave to cross-examine K.O. on a transcript the MFDA had produced of their interview of her, also conducted as part of the MFDA's investigation into Mr. Movassaghi. We ruled that a transcript made during the MFDA's investigation had been provided to Mr. Movassaghi on the implied undertaking that it was not to be used in any other proceeding and that it be kept confidential.<sup>2</sup>
26. Mr. Movassaghi also submitted that the Babarika transcript is now part of the public record, and therefore can be admitted into evidence in this hearing, notwithstanding the MFDA's assertion of rights to it. This is not accurate, as the Panel understands that the MFDA's hearing has yet to conclude.
27. Article 6.4 of the DRP sets out timelines for each party to deliver their supporting materials, including evidence and documents, and adds:

---

<sup>2</sup> Cross-Examination of K.O., August 19, 2020, p. 117, lines 8 to 16.

Absent the consent of the other party or leave of the Hearing Panel, neither the Standards Council nor the FP Canada certificant shall be allowed to submit any additional material (evidence or submissions) to the Secretary or the Hearing Panel subsequent to delivery of the Standards Council's Reply.

28. Mr. Movassaghi's request has been made long after the time for submitting evidence in this proceeding has closed. Cross-examination on Ms. Westlake's, K.O.'s and Mr. Movassaghi's affidavits concluded on August 19, 2020, and the parties' submissions were delivered to us on October 27, 2020.
29. If Mr. Movassaghi had wished to put evidence from Ms. Babarika before this Panel, he could have done so at any time from January 31, 2020, when the Request for Hearing Panel was issued, until August 19, 2020, the date that was set for cross-examinations, which followed the time for filing all evidence that the parties wished to file. Instead, he has asked two days before the hearing date, of which he was aware, for leave to admit this transcript, and has provided no reason for why he did not attempt to introduce this evidence within the required timeline, or why he did not seek permission from the MFDA to allow the transcript to be used in this hearing.
30. Allowing Ms. Babarika's evidence at this late stage would work an unfairness on FP Canada by denying counsel for FP Canada an opportunity to cross-examine Ms. Babarika, because only the transcript of her interview would be in evidence. We would have to adjourn this hearing to give counsel that opportunity. This matter has already been adjourned once. The parties to this hearing, and the complainant, have an interest in our proceeding fairly but expeditiously. Indeed, FP Canada's DRP provide for processes and proceedings that are, to help ensure fairness, "timely," among other attributes.
31. For the reasons given above, we therefore deny leave to admit the Babarika transcript as evidence in this Hearing.

**Mr. Movassaghi's motion: request to adjourn this Hearing until January 21, 2021**

32. Counsel for Mr. Movassaghi also requests an adjournment until at least January 21, 2021. Mr. Movassaghi's counsel gave as his reason for requesting the adjournment that the MFDA hearing was expected to be conducted from October 19 to October 23, 2020, but had to be adjourned, and that he expected evidence to come from the MFDA hearing that would assist Mr. Movassaghi's case in this proceeding.

33. Counsel for FP Canada objected to the adjournment, noting that January 21, 2021 was only the date when the hearing was expected to be held. A decision could come later. Further, we note that there is no guarantee that the MFDA hearing would conclude on January 21, 2021.
34. We are denying this motion for the following reasons:
- a. The MFDA is a different regulatory body than FP Canada, operating under different rules, and with similar but different objectives. We cannot pause our proceedings to wait for evidence to come from their proceeding any more than they can pause their proceedings to wait for evidence to come from ours. If it were otherwise, proceedings would be delayed, as each regulatory body waited for a different regulatory body to complete its work before completing their own. This Panel is obliged to hold a hearing into Mr. Movassaghi's conduct, and we cannot wait for the MFDA hearing to conclude.
  - b. Mr. Movassaghi's counsel has not made any submission about specific evidence that he expects will come from the MFDA hearing that he could not have introduced himself within the timelines for doing so in this proceeding.

**Mr. Movassaghi's motion: request to admit transcripts of evidence taken at the MFDA hearing into Mr. Movassaghi's conduct on October 19, 20 and 23, 2020**

35. As noted previously, Mr. Movassaghi made a request to FP Canada via email on December 10, 2020, during the Panel's deliberations on this matter, to admit transcripts of evidence taken at the MFDA hearing on October 19, 20 and 23, 2020 into Mr. Movassaghi's conduct in respect of the following witness: K.O, Mr. Samuel Harris, Ms. Kindle Blythe and Ms. Ana Babarika.
36. The Panel's reasons for denying Mr. Movassaghi's motion to admit into evidence the MFDA transcript of its interview with Ms. Babarika (discussed above) substantively apply to this motion, in that Mr. Movassaghi has provided no basis for suggesting why this proposed evidence could not have been obtained for purposes of this hearing.
37. Further, this Panel met to deliberate on this matter on November 18, 2020. We therefore must, under FP Canada's DRP, deliver our reasons no later than December 18, 2020. The thirty-day deadline underscores FP Canada's requirement in the DRP that matters proceed expeditiously.

38. For the reasons given above, we therefore deny leave to admit the transcripts of the evidence of K.O, Mr. Samuel Harris, Ms. Kindle Blythe and Ms. Ana Babarika, taken at the MFDA hearing on October 19, 20 and 23, 2020 as evidence in this Hearing.

## Background

39. Mr. Movassaghi was certified by FP Canada™ (and formerly by the Financial Planning Standards Council®) between February 1, 2015 and March 31, 2017, when he decided not to renew his certification.
40. Between May 22, 2013 and July 8, 2016, Mr. Movassaghi was registered as a mutual fund dealing representative and subject to oversight by the MFDA. Between July 25, 2016 and September 2, 2016, Mr. Movassaghi was approved by the Investment Industry Regulatory Organization of Canada (“IIROC”) as a Registered Representative, and accordingly subject to IIROC oversight. The following chart summarizes the oversight jurisdiction relating to Mr. Movassaghi for the relevant time periods:<sup>3</sup>

Employer	Dates	Oversight Jurisdiction
Investors Group Financial Services, Inc. (IG)	May 22, 2013 to January 31, 2015	MFDA
	February 1, 2015 to July 8, 2016	FP Canada and MFDA
N/A	July 9, 2016 to July 24, 2016	FP Canada
Harbourfront Wealth Management (Harbourfront)	July 25, 2016 to termination [September 2, 2016]	FP Canada and IIROC

41. In discussing the evidence and specific allegations made against Mr. Movassaghi we have decided to deal with the allegations in the order in which they are alleged to have arisen, rather than the order in which they have been alleged in the Notice of Request for Hearing Panel.

## **Allegation 5 – Mr. Movassaghi Failed to Disclose/Obtain Consent to a Conflict of Interest**

42. Allegation 5 is:

Between February 1, 2015 and August 2016, the Respondent failed to disclose the conflict of interest to K.O. arising from the fact that he was both her landlord and her financial planner and failed to obtain K.O.’s written consent to continue managing her investments,

---

<sup>3</sup> Affidavit of Carolyn Westlake, July 21, 2020 (Westlake Affidavit), para. 7.

contrary to Principles 1, 2 and 5 of the *Code of Ethics* and Rules 2, 8, 8.1 (effective June 2015), 9 and 10 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

43. Shortly after Mr. Movassaghi joined IG he submitted an “Outside business activity approval worksheet and checklist” (the worksheet) to his immediate superior, Mr. Samuel Harris.<sup>4</sup> In the worksheet, Mr. Movassaghi disclosed that one of his outside business activities was his ownership of three rental condominiums.
44. Mr. Harris submitted an affidavit in connection with this matter, but refused to be cross-examined on it. At the outset of the cross-examination on affidavits on August 19, 2020, counsel for FP Canada withdrew Mr. Harris’ affidavit. Accordingly, we have not relied on Mr. Harris’ affidavit for any part of our decision. Any references to Mr. Harris in our decision are supported by evidence other than his affidavit.
45. The worksheet shows that it was approved by Mr. Harris and by IG’s then regional director, Ms. Ida Templeton,<sup>5</sup> on April 24, 2013. It was also approved by one of IG’s vice presidents, Ms. Sharon Moskalyk,<sup>6</sup> on May 6, 2013. The worksheet contained the following notation: “If tenant is client must be disclosed.”
46. We understand the notation on the worksheet to be a notice to Mr. Movassaghi that if a tenant in one of his rental condominiums became a client of IG’s with Mr. Movassaghi as their representative, Mr. Movassaghi had to disclose that fact to IG.
47. On cross-examination, Mr. Movassaghi was led through the worksheet,<sup>7</sup> and acknowledged that he saw the approved worksheet at or around the time Ms. Moskalyk signed it.<sup>8</sup> Based on the above, this Panel concludes that Mr. Movassaghi knew before he met K.O. that if a tenant of his became a client he had to disclose that fact to IG.
48. On June 6, 2013, IG’s compliance department sent an email to Mr. Movassaghi (the IG email), confirming approval of the worksheet, subject to the following conditions:
- “You are not to solicit any tenants as clients while conducting this activity.
  - If you should obtain a client thru this activity, you need to disclose this to your Branch Manager and issue a disclosure letter.

---

<sup>4</sup> Affidavit of Carolyn Westlake, August 17, 2020 (Westlake Reply Affidavit), para. 5 and Exhibit A.

<sup>5</sup> Cross-Examination of Mo Movassaghi, August 19, 2020, p. 142, lines 16 to 18.

<sup>6</sup> Cross-Examination of Mo Movassaghi, p. 142, lines 20 to 22.

<sup>7</sup> Cross-Examination of Mo Movassaghi, p. 141, line 18, to p. 143, line 24.

<sup>8</sup> Cross-Examination of Mo Movassaghi, p. 143, lines 4 to 5.



17                   you are a new grad physician. Do you have your RSP  
18                   and your TFSA and all these things set up?" And  
19                   some of the things I knew and some I didn't and I  
20                   had indicated that I didn't and he said, "Well, here  
21                   is my business card. Please contact me because this  
22                   is what I...I am an investment advisor and I would  
23                   be happy to help you". So, he gave me his contact  
24                   information.<sup>18</sup>

54. It is not clear if the meeting K.O. and Mr. Movassaghi are referring to is the same meeting.

Nevertheless, K.O. and Mr. Movassaghi had more than one meeting in the latter part of 2013.

55. In his testimony, Mr. Movassaghi maintains that the discussion regarding K.O.'s investments, which institution those investments were with, and whether K.O. had a financial planner "progressed organically."<sup>19</sup> One definition of the term, "organically" that this Panel accepts as applying to Mr. Movassaghi's use of that term is something happening "in a way that happens or develops naturally over time, without being forced or planned by anyone."<sup>20</sup>

56. Mr. Movassaghi further testified that he did not recall who raised the idea of meeting to discuss K.O.'s finances.<sup>21</sup> However, he hedged on his answer to the direct question, "So, would you agree that you solicited her business?" Mr. Movassaghi answered, "Not actively,"<sup>22</sup> and added, "It happened organically."<sup>23</sup>

57. Through his use of the term, "organically," this Panel believes that Mr. Movassaghi is trying to suggest that he did not solicit K.O. as a client because the meetings and conversations that led to her becoming a client happened naturally, or did not follow any plan on his part. Even if we accept this explanation, we conclude that it must have become clear to Mr. Movassaghi at some point during his conversations with K.O. that he was engaged in a process of soliciting K.O. as a client of his through eliciting information about her finances. It does not

---

<sup>18</sup> Cross-Examination of K.O., p. 42, lines 12 to 24.

<sup>19</sup> Cross-Examination of Mo Movassaghi, p. 150, line 2.

<sup>20</sup> Cambridge Dictionary, c.f. "organically" <https://dictionary.cambridge.org/dictionary/english/organically>.

<sup>21</sup> Cross-Examination of Mo Movassaghi, p. 152, lines 4 to 13.

<sup>22</sup> Cross-Examination of Mo Movassaghi, p. 152, line 24, to p. 153, line 1.

<sup>23</sup> Cross-Examination of Mo Movassaghi, p. 153, lines 2 to 3.

matter whether that solicitation resulted from him following a plan or otherwise; it is still a solicitation.

58. This Panel therefore finds, based on K.O.'s and Mr. Movassaghi's evidence, that Mr. Movassaghi solicited K.O.'s business, contrary to the instructions he had received from IG's compliance department in their June 6, 2013 email to him.
59. It is also appropriate to add at this point that for a number of reasons, the Panel preferred the evidence of K.O. to that of Mr. Movassaghi when their evidence conflicted. Among other things, the Panel had the benefit of comparing their respective evidence to that of other witnesses and documents. K.O.'s evidence was typically more consistent with other, reliable evidence. In addition, the Panel carefully considered how each witness gave their evidence, including how responsive they were, and whether they directly answered questions. The Panel found that K.O. generally appeared more candid and truthful than Mr. Movassaghi. While the Panel did find that K.O. was less than candid in one respect (see below), we were nonetheless of the view that the evidence she provided during this hearing was truthful.
60. Counsel for Mr. Movassaghi elicited from K.O. an acknowledgement that she was aware that Mr. Movassaghi was her landlord and financial advisor,<sup>24</sup> and that she was well educated.<sup>25</sup> However, K.O. also testified that she was not well educated from a financial perspective and had limited financial experience before becoming Mr. Movassaghi's client.<sup>26</sup> This Panel does not find that K.O.'s acknowledgement changes the fact that Mr. Movassaghi solicited her as his client.
61. Mr. Movassaghi also testified in his affidavit that he notified his superior, Mr. Harris, about his meetings with K.O.,<sup>27</sup> and that he "was in contact with Mr. Harris with respect to new and prospective investment clients, [K.O.] being one of them."<sup>28</sup> The inference from Mr. Movassaghi's evidence is that Mr. Harris had some responsibility to prevent K.O. from becoming a client of Mr. Movassaghi's. Again, this does not change the fact that Mr. Movassaghi solicited K.O. as his client.

---

<sup>24</sup> Cross-Examination of K.O., p. 44, line 24, to p. 45, line 4.

<sup>25</sup> Cross-Examination of K.O., p. 44, lines 3 to 5.

<sup>26</sup> Re-Examination of K.O., p. 133, line 20, to p. 134, line 24.

<sup>27</sup> Movassaghi Affidavit, para. 7.

<sup>28</sup> Movassaghi Affidavit, para. 9.



62. K.O. acknowledged during her cross-examination that she thought “it was strange” that Mr. Movassaghi was her landlord and her financial advisor, but also thought “that if it was something that was actually not allowed, that I would have been informed of that.”<sup>29</sup>
63. K.O. also testified that, “Mr. Movassaghi did not advise me of the conflict of interest created by our relationship as tenant/landlord and client/planner.”<sup>30</sup> Further, Mr. Movassaghi acknowledged that he never sent K.O. a disclosure letter.<sup>31</sup>
64. Rules 8 and 8.1 of the *Rules of Conduct* do not provide an exception for clients who are well educated or who are aware of the factual basis for the conflict of interest. Nor does the fact that Mr. Movassaghi advised his superior at IG of the fact that K.O. was also a client excuse Mr. Movassaghi from compliance with the provisions of rules 8 and 8.1.
65. Rules 8 and 8.1 instead provide a framework that the CFP certificant must follow to address a conflict of interest, independent of the client’s knowledge and education, and independent of any actions the CFP certificant takes with their employer.
66. The framework required Mr. Movassaghi to do the following:
- a. Make full written disclosure of the conflict of interest to K.O.
  - b. Discuss the conflict of interest with K.O so that she could make an informed decision about continuing the financial planning relationship.
  - c. Obtain written confirmation from K.O. of her decision to continue with Mr. Movassaghi as her financial planner.
67. Mr. Movassaghi solicited K.O. as a client, notwithstanding the conflict of interest he had. He never provided the full written disclosure that rules 8 and 8.1 required, nor discussed the conflict of interest with K.O. so that she could make an informed decision, nor obtained written confirmation from K.O. to continue with him as her financial planner.
68. This Panel therefore finds that Mr. Movassaghi failed to disclose the conflict of interest to K.O. arising from the fact that he was both her landlord and her financial planner and failed to obtain K.O’s written consent to continue managing her investments, contrary to Principles 1, 2 and 5 of the *Code of Ethics* and Rules 2, 8, 8.1 (effective June 2015), 9 and 10 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

---

<sup>29</sup> Cross-Examination of K.O., p. 44, lines 6 to 16.

<sup>30</sup> K.O. Affidavit, para 35.

<sup>31</sup> Cross-Examination of Mr. Movassaghi, p. 159, lines 5 to 8.

**Allegation 2 – Mr. Movassaghi forged K.O.’s signature to account forms, or, in the alternative, failed to supervise his staff, who forged K.O.’s signature to account forms**

69. Allegation 2 is as follows:

Between April and October 2015, the Respondent:

- a. engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client’s interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.’s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016; or, in the alternative;
- b. failed to provide reasonable and prudent professional supervision of, and/or direction to, one of the subordinates to whom he assigned responsibility for service of his client, K.O, in that one of his staff forged his client, K.O.’s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rule 12 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016.

70. Upon becoming a client of Mr. Movassaghi, K.O. opened the following accounts through IG with Mr. Movassaghi:

- A personal Registered Retirement Savings Plan (RRSP) in January 2014.
- A Tax-Free Savings Account (TFSA) in January 2014.
- A non-registered investment account in the name of her corporation in September 2014.<sup>32</sup>

71. At or around the time she opened each of these accounts, K.O. also completed three Know-Your-Client (KYC) forms, one for each account.<sup>33</sup>

72. On each KYC form K.O. described her risk tolerance as “medium,” and her investment portfolio profile as “moderate conservative to moderate.” For her three accounts she described her investment objectives and time horizons as follows:<sup>34</sup>

---

<sup>32</sup> K.O. Affidavit, para. 6; Movassaghi Affidavit, para. 10.

<sup>33</sup> K.O. Affidavit, paras. 7 and 8.

<sup>34</sup> K.O. Affidavit, Exhibits A, B and C.

<b>Account</b>	<b>Investment objective</b>	<b>Time horizon</b>
RRSP	Retirement savings	10+ years
TFSA	Major purchase	3 – 6 years
Non-registered	Current income	6 – 10 years

73. Also at or around the time she opened each of these three accounts, K.O. agreed to monthly pre-authorized contributions (PACs) to each account, \$1,000 for each account, to be drawn from her personal bank account.<sup>35</sup>
74. K.O. understood that while Mr. Movassaghi was the individual responsible for servicing her accounts,<sup>36</sup> he also had an associate, Ms. Kindle Blythe.<sup>37</sup> Ms. Blythe was junior to Mr. Movassaghi. She earned 20% of the commission income between them, with Mr. Movassaghi keeping 80%. She also earned 10% of the trailer commissions, with Mr. Movassaghi earning 90%.<sup>38</sup>
75. Mr. Movassaghi also testified on cross-examination that Ms. Blythe had over four years experience dealing with paperwork, and that he was not good at paperwork.<sup>39</sup> The evidence establishes that Ms. Blythe was the junior associate to Mr. Movassaghi.
76. K.O. testified that she did not give Mr. Movassaghi or Ms. Blythe permission to purchase specific mutual funds with the money taken through her PACs.<sup>40</sup> She also testified that she understood that the mutual funds in each account would be purchased from the cash coming from her bank account through the PACs, and would be invested in a manner that was consistent with her risk tolerance – medium – and with her investment portfolio profile – moderate conservative to moderate – as set out in the KYC forms she had signed.<sup>41</sup>
77. In April and June 2015, K.O.’s risk tolerance was changed without her knowledge for her three accounts through the following documents:
- Know Your Client, April 8, 2015 (Individual);
  - Know Your Client, June 9, 2015 (Individual); and

---

<sup>35</sup> K.O. Affidavit, paras. 9 and 10.

<sup>36</sup> K.O. Affidavit, para. 5.

<sup>37</sup> K.O. Affidavit, para. 5.

<sup>38</sup> Westlake Affidavit, para. 15 of Exhibit F.

<sup>39</sup> Cross-Examination of Mr. Movassaghi, p. 181, line 24, to p. 182, line 9.

<sup>40</sup> K.O. Affidavit, para. 11.

<sup>41</sup> K.O. Affidavit, para. 12.

- Know Your Client, June 9, 2015 (Corporation).<sup>42</sup>

78. K.O.'s risk tolerance and investment portfolio profile for her RRSP, TFSA and non-registered accounts were changed from "medium" to "very high," and from "moderate conservative/moderate" to "very aggressive."<sup>43</sup> K.O. denied signing the new KYC forms or authorizing the changes made in those forms.<sup>44</sup>

79. In June 2015, and later in October 2015, K.O.'s banking information and PAC allocations were changed through the filing of the following forms:

- Client Update Form, June 10, 2015 (TFSA);
- Client Update Form, June 10, 2015 (RRSP);
- Client update form, June 23, 2015 (TFSA);
- PAC Agreement, June 24, 2015 (TFSA);
- PAC Agreement, June 29, 2015 (TFSA); and
- PAC Agreement, October 30, 2015 (non-registered account).<sup>45</sup>

80. K.O. also denied signing these six documents, or authorizing the changes they made to her and her corporation's accounts.<sup>46</sup> She also denied having any in-person meetings with either Mr. Movassaghi or Ms. Blythe in 2015 or 2016, and testified that the dates on each form coincided with dates where, owing to work and travel commitments, she would not have been available to meet with either Mr. Movassaghi or Ms. Blythe to sign documents.<sup>47</sup> She further asserted that while she did not know whose penmanship was on the documents, "it is definitely not mine."<sup>48</sup> She further testified that she had no knowledge of the nine documents until "later in 2017 when Investors Group and IIROC were doing their investigation."<sup>49</sup>

81. Given that the changes in K.O.'s risk tolerance and investment portfolio profile were major shifts from her previous positions, and had occurred within a year and a half to two years of her opening her accounts, this Panel would have expected these changes to have resulted from an important change in her circumstances and/or attitude towards risk. This Panel also would have expected some documentation of that change in the evidence before us, or some reference to it in Mr. Movassaghi's or K.O.'s evidence. In other words, changes this

---

<sup>42</sup> K.O. Affidavit, para. 16, and Exhibits K, L and M.

<sup>43</sup> K.O. Affidavit, para. 16.

<sup>44</sup> K.O. Affidavit, para. 17.

<sup>45</sup> K.O. Affidavit, para. 13, and Exhibits D through I.

<sup>46</sup> K.O. Affidavit, paras. 13, 14 and 17.

<sup>47</sup> K.O. Affidavit, para. 15.

<sup>48</sup> Cross-Examination of K.O., p. 60, line 23, to p. 61, line 3.

<sup>49</sup> Cross-Examination of K.O., p. 59, line 23, to p. 60, line 3.

significant would typically have produced more documentation than what we have before us, or would have been augmented by conversations. However, there is no evidence before us of such documentation or conversations.

82. Counsel for Mr. Movassaghi did not challenge K.O. on her answer that the penmanship on these nine documents was not hers. Further, K.O. asserted in her affidavit, and counsel for Mr. Movassaghi did not challenge her on this assertion, that she did not sign any of the nine documents.<sup>50</sup>
83. Counsel for FP Canada put the proposition to Mr. Movassaghi that just because K.O. was receiving trade confirmations, she would not have known that “the trades were based on a different risk tolerance” from the one she originally signed.<sup>51</sup> Mr. Movassaghi disagreed, and pointed out that the trade confirmations told K.O. “what mutual funds were sold and which ones were bought,”<sup>52</sup> that K.O. would have been able to determine the risk of the funds she was in from the fund names, and from discussions she had had with Mr. Movassaghi concerning each fund and its level of risk,<sup>53</sup> and that he had discussed the risk of each fund with her.<sup>54</sup>
84. This Panel does not find Mr. Movassaghi’s response credible. To accept his response we would have to believe that K.O. possessed a sophistication in investing that she did not have. To the contrary, this Panel believes that someone with her limited investment experience would not have been able to extrapolate from trade confirmations the fact that the funds she was invested in had a different risk tolerance from what she had originally agreed to. Furthermore, even if K.O. had such an ability, we see no reason for why she would have undertaken such an analysis, not knowing until late 2017 that the documents altering her risk tolerance had been forged. We therefore reject Mr. Movassaghi’s assertion that K.O. would have known from her trade confirmations that her risk tolerance was different from what she had originally agreed to.
85. In any event, a discussion of whether K.O. understood that her risk tolerance had been changed is irrelevant in light of the fact that the documents changing her risk tolerance were

---

<sup>50</sup> K.O. Affidavit, paras. 14 and 17.

<sup>51</sup> Cross-Examination of Mr. Movassaghi, p. 179, lines 11 to 14.

<sup>52</sup> Cross-Examination of Mr. Movassaghi, p. 179, lines 15 to 17.

<sup>53</sup> Cross-Examination of Mr. Movassaghi, p. 180, lines 9 to 20.

<sup>54</sup> Cross-Examination of Mr. Movassaghi, p. 180, line 21, to p. 181, line 2.

forged. A forgery is in no way excused because the victim of that forgery should have been able to work out for themselves that something had changed.

86. Notwithstanding his position that K.O. must have known that her risk tolerance had been changed, Mr. Movassaghi then testified that in fact he had K.O.'s approval to change her risk tolerance.<sup>55</sup> This assertion is also not credible. If Mr. Movassaghi had K.O.'s approval to change her risk tolerance he would have made that change by having K.O. sign the appropriate documents. There would have been no need to forge any documents.
87. Further, when asked, "Did you sign those documents in her name?" Mr. Movassaghi did not answer the question, but instead made several statements: that he did not remember when changes were made to K.O.'s account, that he had an assistant after nine months, that he had Ms. Blythe helping with paperwork, that Ms. Blythe had over four years experience dealing with paperwork, and that he was not good at paperwork.<sup>56</sup> Of importance for us in assessing Mr. Movassaghi's credibility is that he did not answer the question.
88. Mr. Movassaghi was also asked whether he told Ms. Blythe to change K.O.'s risk tolerance. Again, he did not answer the question, but instead made several statements: that he informed Ms. Blythe of the conversation he had with K.O., that he explained to Ms. Blythe what a change in risk tolerance was, and that there were forms one had to fill out, though he said he did not remember what those forms were. He testified that Ms. Blythe knew and took care of it so that he could move on to other things.<sup>57</sup> He also testified in his affidavit that he delegated to Ms. Blythe the responsibility for K.O.'s forms, and for processing those forms.<sup>58</sup>
89. Again, it is significant for us in assessing Mr. Movassaghi's credibility that he did not answer the question.
90. We find that Mr. Movassaghi's evidence that K.O. knew that changes were made to her risk tolerance, or that he had K.O.'s consent to make changes to her risk tolerance, was inconsistent and evasive, and is therefore not credible.
91. We will also discuss later in these reasons the fact that Mr. Movassaghi admitted to having forged K.O.'s signature on the forms needed to transfer K.O.'s account from IG to Harbourfront. For present purposes, we recognize that if someone has admitted to having forged a person's signature on one occasion, their credibility is severely damaged.

---

<sup>55</sup> Cross-Examination of Mo Movassaghi, p. 181, lines 20 to 23.

<sup>56</sup> Cross-Examination of Mo Movassaghi, p. 181, line 24, to p. 182, line 9.

<sup>57</sup> Cross-Examination of Mo Movassaghi, p. 182, lines 10 to 19.

<sup>58</sup> Movassaghi Affidavit, paras. 51 and 52.

92. Based on the above, this panel finds that Mr. Movassaghi forged K.O.'s signature on the nine documents that adjusted K.O.'s risk profile and investment portfolio profile, and on the PACs associated with each of K.O.'s three accounts. In so doing, Mr. Movassaghi engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client's interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, as alleged, and violated to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016.
93. Because we have found that Mr. Movassaghi forged K.O.'s signature to the nine documents, as alleged in allegation 2 a., it is not necessary for us to deal with the alternate allegation 2 b.

**Allegation 3 – Between April 2015 and June 2016 Mr. Movassaghi failed to ensure that K.O. was invested in funds that were consistent with her actual risk tolerance and investment profile, rather than the risk tolerance and profile where were amended without her knowledge or authorization.**

94. Having determined that Mr. Movassaghi forged documents to adjust K.O.'s risk profile and investment portfolio profile, we must determine whether he then invested K.O. in mutual funds that were inappropriate for her risk tolerance, and that were made without her knowledge or consent.
95. During 2015 and 2016, K.O. testified that approximately 200 trades were made in her investment accounts, including investments in mutual funds that were outside of her risk tolerance, without her knowledge or consent.<sup>59</sup>
96. During her investigation, Ms. Westlake sent a letter dated October 21, 2019 to Mr. Movassaghi asking him to state his position with respect to various issues in this matter. Mr. Movassaghi's counsel was copied on this letter, and on subsequent correspondence. There was a brief back-and-forth before Mr. Movassaghi's counsel responded with his client's position on these issues. In his email, Mr. Movassaghi's counsel admitted on behalf of his client the following statements:

50. The KYC forms used to support the opening of [K.O.'s] accounts in January 2014 (TFSA and RRSP) and September 2014 (non-registered account) [Attached at Tab 4], indicated that she had a:

(a) risk tolerance of "medium"; and

---

<sup>59</sup> K.O. Affidavit, para. 22.

(b) Investment Portfolio Profile of "moderate conservative/moderate".

51. Between April 8, 2015 and June 9, 2015, KYC information for [K.O.'s] investment accounts was changed.

52. [K.O.'s] risk tolerance was changed from "medium" to "very high".

53. [K.O.'s] investment portfolio profile was changed from "moderate conservative/ moderate" to "very aggressive".

54. The KYC forms dated April 8, 2015 (RRSP); June 9, 2015 (RRSP); and June 9, 2015 (non-registered), were used to support an increase in [K.O.'s] risk tolerance and investment portfolio profile.

55. The KYC forms were relied upon to support investments into high risk mutual funds.<sup>60</sup>

97. The important admission for purposes of this allegation is number 55, that the changed KYC forms supported investments in high risk mutual funds. Mr. Movassaghi and his counsel did not admit that Mr. Movassaghi had forged the documents that changed K.O.'s risk tolerance and investment portfolio profile. Nevertheless, Mr. Movassaghi and his counsel acknowledged the fact that the changes made to K.O.'s risk tolerance did support investments into high risk mutual funds.
98. Another example of Mr. Movassaghi having invested K.O. in high risk mutual funds, contrary to K.O.'s original risk tolerance and investment portfolio profile, comes from his testimony at the trial of a wrongful dismissal lawsuit he brought against his former employer (Harbourfront). He testified that he had invested some of K.O.'s money in a precious metals mutual fund.<sup>61</sup> This Panel takes notice of the understanding in the financial planning industry that an investment in precious metals is high risk, and is not a suitable investment for an investor with a medium risk tolerance.
99. Mr. Movassaghi noted that a higher risk tolerance and more aggressive investment portfolio profile did not mean that all a client's investments would be in high risk mutual funds. He said that in order to get even 10 to 15% of a client's investments in aggressive funds the client would need the higher risk profile.<sup>62</sup>

---

<sup>60</sup> Westlake Affidavit, Exhibits M and N.

<sup>61</sup> *Mo Movassaghi v. Harbourfront Wealth Management Inc. and HF Investment Holdings Inc.* April 4, 2017, Docket number S178698, British Columbia Supreme Court, at para. 33. The judgment appears as Exhibit A to the K.O. Reply Affidavit.

<sup>62</sup> Cross-Examination of Mo Movassaghi, p. 180, line 21, to p. 181, line 11.



100. This Panel understands that investing only a portion of a client's funds in high risk mutual funds is not as risky as investing all a client's funds in high risk mutual funds. However, this does not change the fact that K.O.'s funds were invested in a manner contrary to her risk tolerance and investment portfolio profile, and therefore contrary to her wishes, as expressed in her original application and KYC forms.
101. Mr. Movassaghi testified that he had K.O.'s agreement to invest in high risk funds, and that the trade tickets, and the monthly and quarterly statements K.O. received, as well as information online, told K.O. what funds were sold and what funds were bought.<sup>63</sup>
102. Mr. Movassaghi also testified that K.O. would have known which funds were high risk from discussions he had had with her.<sup>64</sup> However, the evidence from K.O. is that she in fact did not know, and there is no evidence that Mr. Movassaghi told her directly that her risk tolerance and investment portfolio profile had in fact been changed. Because the Panel preferred the evidence of K.O. to that of Mr. Movassaghi, we reject Mr. Movassaghi's evidence that K.O. would have known which funds were high risk from discussions he had with her. We also conclude that even if K.O. did know which of her funds were invested in high risk mutual funds, it does not change the fact that any investments made outside of her original risk tolerance – medium – and investment portfolio profile – moderate conservative to moderate – were inappropriate.
103. We therefore find that between April 2015 and June 2016, Mr. Movassaghi failed to act with integrity, fairness, and in a manner that reflects positively upon the profession, failed to exercise reasonable and prudent professional judgment, and failed to recommend and implement only those strategies that were prudent and appropriate for his client, K.O., in that he failed to ensure that she was invested in funds that were consistent with her actual risk tolerance and investment profile, rather than the risk tolerance and profile which were amended without her knowledge or authorization, contrary to Principles 1, 2, 3, 5 and 8 of the *Code of Ethics* and Rules 2, 15, 16, and 17 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

---

<sup>63</sup> Movassaghi Affidavit, para. 52, and Cross-Examination of Mo Movassaghi, p. 179, line 11, to p. 180, line 8.

<sup>64</sup> Cross-Examination of Mo Movassaghi, p. 180, line 9, to p. 181, line 19.

**Allegation 1 – Mr. Movassaghi forged K.O.’s signature to forms used to transfer K.O.’s account from IG to Harbourfront**

104. On June 20, 2016, Mr. Movassaghi called K.O. to tell her that he and Ms. Blythe were moving from IG to Harbourfront.<sup>65</sup> Upon hearing this news, K.O. determined privately that Mr. Movassaghi’s move to Harbourfront was a way for her to sever her relationship with Mr. Movassaghi.<sup>66</sup>
105. On July 11, 2016, Ms. Blythe sent an email to K.O., asking if she and Mr. Movassaghi could have K.O.’s consent to transfer her accounts to Harbourfront so they could continue to manage those accounts. K.O. replied on July 15, 2016. She inquired about the details of the transfer – whether the investments would be cashed out, reinvested or transferred, whether there was a fee, and if so who paid it.<sup>67</sup> K.O. testified that in her own mind she thought that she could use the issue of fees to decide to not transfer her account, and therefore not go with Mr. Movassaghi to Harbourfront.<sup>68</sup>
106. Ms. Blythe responded to K.O.’s email the same day, July 11, 2016, advising that Mr. Movassaghi would speak with her.<sup>69</sup>
107. According to K.O., Mr. Movassaghi telephoned her that same day, advising that there would be fees to transfer her accounts, and that he would provide her with the amount at their next meeting. He also asked her to email him a copy of her driver’s license.<sup>70</sup> K.O. emailed a copy of her driver’s licence to Ms. Blythe on July 18, 2016. K.O. also advised that she would be out of the country from July 30, 2016 to August 10, 2016, but would be “happy to sign papers before or after” she returned.<sup>71</sup>
108. K.O. acknowledged that her emails and telephone conversations with Mr. Movassaghi and Ms. Blythe were at odds with her private intention to sever her relationship with Mr. Movassaghi. Mr. Movassaghi’s counsel challenged her on this point: “I am asking about how you misled him to thinking that you were going to transfer,” and later, “Would you agree that

---

<sup>65</sup> Cross-Examination of K.O., p. 64, lines 2 to 8.

<sup>66</sup> Cross-Examination of K.O., p. 66, line 15, to p. 67, line 1.

<sup>67</sup> Cross-Examination of K.O., p. 67, lines 2 to 12.

<sup>68</sup> Cross-Examination of K.O., p. 67, line 14, to p. 68, line 23.

<sup>69</sup> K.O. Affidavit, at para. 26.

<sup>70</sup> K.O. Affidavit, at paras. 26 to 28.

<sup>71</sup> K.O. Affidavit, at para. 29.

all your...the entirety of your conduct, at least the e-mails you sent, were consistent with someone who was willing to transfer her funds from IG to Harbourfront?”<sup>72</sup>

109. K.O. agreed that her emails could be interpreted in the way that Mr. Movassaghi’s counsel had put it in the preceding paragraph.<sup>73</sup> Indeed, K.O. admitted that she did not intend to transfer her accounts to Harbourfront, even though she had said that she would.<sup>74</sup>
110. Mr. Movassaghi’s counsel continued his cross-examination in this vein. He challenged K.O. on her email to Ms. Blythe of July 18, 2016, wherein K.O. said, “...Thanks for your message. Mo did call me on Friday. All questions answered...”<sup>75</sup> In fact, K.O. did not know what the cost would be to transfer her account, so all questions were in fact not answered. She testified that she did not pursue this question because she privately had no intention of going with Mr. Movassaghi to Harbourfront.<sup>76</sup> Accordingly, the cost for transferring her account to Harbourfront did not matter to her.
111. The matter sat until August 18, 2016, when IG informed K.O. that her holdings had been sold and transferred to Harbourfront. K.O. testified that she did not sign any documentation to transfer her holdings to Harbourfront, and that she did not authorize the transfer.<sup>77</sup>
112. This Panel agrees that K.O.’s emails and actions surrounding the proposed transfer of her account from IG to Harbourfront could have misled Mr. Movassaghi into believing that K.O. was agreeable to transferring her accounts to Harbourfront. We also agree that the private thoughts and feelings to which she testified were inconsistent with her emails, statements and actions towards Mr. Movassaghi and Ms. Blythe in June and July 2016.
113. However, this Panel also agrees that the fact that K.O. misled Mr. Movassaghi did not give him permission to forge her signature to any forms facilitating a transfer of her accounts to Harbourfront.
114. Further, whether K.O. misled Mr. Movassaghi, he still knew that he needed her signature on the transfer documents if he was to transfer her account to Harbourfront.
115. In fact, if the issue were whether Mr. Movassaghi forged K.O.’s signature to the transfer documents, his counsel’s line of questioning would be irrelevant because Mr. Movassaghi

---

<sup>72</sup> Cross-Examination of K.O., p. 71, lines 2 to 11.

<sup>73</sup> Cross-Examination of K.O., p. 71, lines 12 to 13.

<sup>74</sup> Cross-Examination of K.O., p. 71, lines 12 to 14.

<sup>75</sup> Cross-Examination of K.O., p. 72, lines 9 to 10.

<sup>76</sup> Cross-Examination of K.O., p. 72, lines 11 to 22.

<sup>77</sup> K.O. Affidavit, paras. 30 and 31.

admitted to forging K.O.'s signature on the nine documents needed to transfer K.O.'s account to Harbourfront as part of his settlement with IIROC.

116. The point Mr. Movassaghi's counsel appears to have been making with this line of questioning was not that Mr. Movassaghi had permission to forge K.O.'s signature to documents authorizing a transfer of her accounts to Harbourfront based on her having misled him into believing that she was agreeable to the transfer. Instead, he appears to have been trying to demonstrate that K.O. was an untrustworthy witness because she had lied to Mr. Movassaghi. Indeed, he accused her of lying later in his cross-examination of her.<sup>78</sup>
117. There is no question that K.O. did not tell Mr. Movassaghi or Ms. Blythe the truth in her emails and conversations with them. The more important question with regard to K.O.'s evidence, however, is not whether we believe she was being truthful with Mr. Movassaghi or Ms. Blythe – we agree that she was not – but whether we believe she was being truthful with the Panel. In evaluating her evidence, we find that her explanations for why she misled Mr. Movassaghi and Ms. Blythe make sense in her circumstances, and ring true. If she felt pressured, smothered and forced by Mr. Movassaghi,<sup>79</sup> and wished to avoid conflict, as she maintained, it makes sense that she would act as she did. K.O. at that time was living in a condominium apartment owned by Mr. Movassaghi. She testified that she “wanted to no longer be his tenant,”<sup>80</sup> and “didn’t want to cease that [financial planning] relationship and still be living in his property.”<sup>81</sup>
118. Given the state of mind to which she testified, her actions seem reasonable. She avoided the issue in order to avoid conflict, and told Mr. Movassaghi and Ms. Blythe when contacted that she intended to sign the transfer documents, even though she knew she would not, trusting that the accounts could not be transferred without her signature.
119. Mr. Movassaghi's evidence, however, is not consistent with his actions. If he believed that he had K.O.'s consent to transfer her account to Harbourfront, but could not get her signature on the required forms, he would have informed her of the transfer at the soonest opportunity, since that would have aligned with her expectations and his. But he did not do that. He kept his forgery secret until secrecy was no longer possible. We draw the inference from his actions that he knew he did not have authority to sign on her behalf. We regard his

---

<sup>78</sup> Cross-Examination of K.O., p. 74, line 4, to p. 77, line 25.

<sup>79</sup> Cross-Examination of K.O., p. 66, lines 3 to 14.

<sup>80</sup> Cross-Examination of K.O., p. 73, line 11.

<sup>81</sup> Cross-Examination of K.O., p. 73, lines 14 to 16.

dishonesty as dishonesty towards K.O, his employer, and the Panel. Accordingly, and as noted previously, we prefer K.O.'s evidence over Mr. Movassaghi's.

120. Considering the evidence, and the admissions from Mr. Movassaghi, this Panel finds that in August 2016, Mr. Movassaghi engaged in conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.'s signature on 9 (nine) documents to effect the transfer of her accounts from Investors Group (IG) to Harbourfront, contrary to Principles 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from March 2016 to May 2017.

#### **Allegation 4 – Mr. Movassaghi falsified trading instructions and supporting notes**

121. During her investigation, Ms. Westlake obtained trading instructions and supporting notes (collectively the instructions) prepared by Mr. Movassaghi, Ms. Blythe, or Ms. Babarika.<sup>82</sup> The notes purport to document instructions Mr. Movassaghi received from K.O., either by telephone or in person.
122. However, during 2015 and 2016, K.O.'s evidence is that she did not have any meetings or telephone conversations with Mr. Movassaghi, Ms. Blythe, or Ms. Babarika, and she provided documents in partial support of that testimony.<sup>83</sup>
123. Mr. Movassaghi prepared some of the instructions. For example, on March 31, April 2 and August 5, 2015, and May 19 and June 24, 2016, Mr. Movassaghi entered instructions which stated, "Spoke with Client" or "Confirmed with client".<sup>84</sup> If we accept K.O.'s evidence these instructions must have been falsified.
124. We accept K.O.'s version of events and conclude that Mr. Movassaghi engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client's interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he falsified trading instructions and supporting notes, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics*

---

<sup>82</sup> Westlake Affidavit, para. 43, Exhibit K.

<sup>83</sup> Westlake Affidavit, para. 43; K.O. Affidavit, para. 20, and Exhibit J.

<sup>84</sup> Westlake Affidavit, Exhibit K, pp. 176 and 177, and pp. 254 to 257.

and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

125. Because we have found that Mr. Movassaghi falsified trading instructions and supporting notes, as alleged in allegation 4 a., it is not necessary for us to deal with the alternate allegation 4 b.

**Allegation 6 – Mr. Movassaghi was found to have engaged in conduct contrary to IIROC Dealer Member Rules 29.1 (now Consolidated Rule 1400) and 42 by an IIROC Hearing Panel in its Reasons for Decision dated August 25, 2017, for the period July to September 2016, thereby breaching Rule 18 of the *Rules of Conduct* in force between March 2016 and May 2017.**

126. Pursuant to a Settlement Agreement that Mr. Movassaghi entered into with IIROC on June 21, 2017, and accepted by IIROC on June 28, 2017, Mr. Movassaghi admitted to the following allegations:<sup>85</sup>

- a. Forging his client, K.O.'s, signature on various forms (at least nine (9) account opening and transfer related documents), in August 2016; and
- b. Failing to inform his employer at the time, Harbourfront, in July 2016, of an Outside Business Activity.

127. Concerning the first admission, the Settlement Agreement notes the following:

25. On August 9, 2016, the Respondent signed KO's signature on the following forms in relation to the KO Accounts:

- Transfer Authorization Forms;
- New Client Application Forms;
- Tax Free Savings Account Application Form;
- Corporate Resolution for Opening Account;
- Second Party Account Supplement Form;
- Corporate Account Ownership/Directorship Supplement;
- Treaty Supplement Form;
- Foreign Account Tax Compliance Act Classification and Self Certification for Legal Entities Form; and
- Form W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities).

26. The Respondent used the signature that was on the copy of KO's [driver's] licence to guide his forgeries.

27. The Respondent caused all of the above-noted forms which contained KO's forged signature to be submitted to Harbourfront for processing.

28. As a result, an of the mutual fund units which were held in the KO Accounts were sold because the Transfer Authorization Forms indicated that the holdings

---

<sup>85</sup> Westlake Affidavit, para. 11 and Exhibit A.

were to be transferred in cash. Given that the KO Accounts held proprietary mutual funds they could not be transferred in kind. In total, KO incurred approximately \$3,600 in deferred sales charges.

128. Mr. Movassaghi agreed in the Settlement Agreement that in forging K.O.'s signature as noted above, he contravened IIROC Dealer Member Rule 29.1 as it was at the time, but which was Consolidated Rule 1400 at the time of the Settlement Agreement.<sup>86</sup>

129. Following the Settlement Agreement, IIROC released its Reasons for Decision on August 25, 2017. Consistent with the Settlement Agreement, IIROC found as follows:

On August 9, 2016, the Respondent used the signature shown on KO's driver's licence as a template to forge KO's signature on at least nine account opening and transfer related documents. He then caused Harbourfront to process the documents, resulting in the transfer of the holdings in the KO Accounts from the MFDA member to new accounts at Harbourfront without KO's knowledge or consent.<sup>87</sup>

130. Concerning the second IIROC allegation, the Settlement Agreement notes the following:

35. At all material times, the Respondent informed Harbourfront that he owned and operated the Rental Properties [defined at para. 15 of the Settlement Agreement as "three furnished apartments which he rents out."]

36. The Respondent did not inform Harbourfront that KO rented one of the Rental Properties which represented a potential material conflict of interest with KO. The Respondent maintains this was because KO had informed him that she would be moving out.<sup>88</sup>

131. Mr. Movassaghi agreed in the Settlement Agreement that in failing to inform Harbourfront that K.O. rented an apartment from him, he contravened IIROC Dealer Member Rule 42.<sup>89</sup>

132. Also consistent with the Settlement Agreement, IIROC found in its Reasons for Decision that Mr. Movassaghi "did not inform Harbourfront that its new client, KO, was also his tenant."<sup>90</sup>

133. Considering the above, this Panel finds that Mr. Movassaghi engaged in conduct contrary to IIROC Dealer Member Rules 29.1 (now Consolidated Rule 1400) and 42 by an IIROC Hearing Panel in its Reasons for Decision dated August 25, 2017, for the period July to September 2016, thereby breaching Rule 18 of the *Rules of Conduct* in force between March 2016 and May 2017.

---

<sup>86</sup> Westlake Affidavit, para. 11 and Exhibit A, at para. 37.

<sup>87</sup> Westlake Affidavit, para. 9 of Exhibit B.

<sup>88</sup> Westlake Affidavit, p. 35.

<sup>89</sup> Westlake Affidavit, para. 11 and Exhibit A, at para. 37.

<sup>90</sup> Westlake Affidavit, para. 12 of Exhibit B.

## Conclusion

134. This Panel finds that FP Canada has made out the allegations of professional misconduct against Mr. Movassaghi as follows:

1. In August 2016, the Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.'s signature on 9 (nine) documents to effect the transfer of her accounts from Investors Group (IG) to Harbourfront, contrary to Principles 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from March 2016 to May 2017.
2. Between April and October 2015, the Respondent engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client's interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.'s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016.
3. Between April 2015 and June 2016, the Respondent failed to act with integrity, fairness, and in a manner that reflects positively upon the profession, failed to exercise reasonable and prudent professional judgment and failed to recommend and implement only those strategies that were prudent and appropriate for his client, K.O, in that he failed to ensure that she was invested in funds that were consistent with her actual risk tolerance and investment profile, rather than the risk tolerance and profile which were amended without her knowledge or authorization, contrary to Principles 1, 2, 3, 5 and 8 of the *Code of Ethics* and Rules 2, 15, 16, and 17 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.
4. Between April 2015 and June 2016, the Respondent engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client's interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he falsified trading instructions and supporting notes, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.
5. Between February 1, 2015 and August 2016, the Respondent failed to disclose the conflict of interest to K.O. arising from the fact that he was both her landlord and her financial planner and failed to obtain K.O.'s written consent to continue managing her investments, contrary to Principles 1, 2 and 5 of the *Code of Ethics* and Rules 2, 8, 8.1 (effective June 2015), 9 and 10 of the *Rules of Conduct* set out



in the *Standards of Professional Responsibility* in force from November 2014 to May 2017.

6. The Respondent was found to have engaged in conduct contrary to IIROC Dealer Member Rules 29.1 (now Consolidated Rule 1400) and 42 by an IIROC Hearing Panel in its Reasons for Decision dated August 25, 2017, for the period July to September 2016, thereby breaching Rule 18 of the *Rules of Conduct* in force between March 2016 and May 2017.

135. As we have found Mr. Movassaghi to have committed misconduct in regards to allegations 2a. and 4a., we have not made rulings on the alternative allegations in 2b. and 4b.

### **Order**

136. This Panel is adjourned until a date is set for us to consider written submissions from the parties as to penalty and costs. FP Canada is to deliver its submissions as to penalty and costs within 30 days of the date of this Order. Mr. Movassaghi is to deliver his submissions as to penalty and costs within 30 days thereafter. FP Canada will have 7 days after that to deliver its reply, if any.

**DATED** this 18th day of December, 2020

I, Stuart Dollar, Chair of the Disciplinary Hearing Panel, sign this Disciplinary Hearing Decision on behalf of the Members of the Panel.



---

Stuart Dollar, CFP®, Chair of the Hearing  
Panel Timothy Bertrand, CFP®  
Albert Pelletier

## DISCIPLINARY HEARING DECISION AND REASONS ON PENALTY

*IN THE MATTER OF FP CANADA STANDARDS COUNCIL™*  
*AND*  
*MO MOVASSAGHI*

Heard in writing: March 10, 2021

Date of decision: March 23, 2021

Hearing Panel: **FP Canada Standards Council Discipline Hearing Panel**  
Stuart Dollar, CFP®, Chair of the Hearing Panel  
Timothy Bertrand CFP®  
Albert Pelletier

Tamara Center, for FP Canada Standards Council  
Bobby Movassaghi, for Mo Movassaghi  
Bernard LeBlanc, Independent Legal Counsel to the Hearing Panel  
Jignasa Patel, Secretary to the Hearing Panel

---

### **OVERVIEW**

1. The FP Canada Standards Council Discipline Hearing Panel (the “Panel”) held a written hearing to consider the parties’ penalty submissions in respect of the Panel’s findings of misconduct made in their decision dated December 18, 2020.
2. In its decision, the Panel found that the Respondent, Mr. Mo Movassaghi, engaged in misconduct, described as follows:
  - a. In August 2016, the Respondent engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client’s interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he forged his client, K.O.’s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rules 1 and 2 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016; or, in the alternative;

- b. Between April and October 2015, the Respondent engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to provide reasonable and prudent professional supervision of, and/or direction to, one of the subordinates to whom he assigned responsibility for service of his client, K.O, in that one of his staff forged his client, K.O.'s signature on 9 (nine) account forms, contrary to Principles 1, 2, 5, and 8 of the *Code of Ethics* and Rule 12 of the *Rules of Conduct* set out in the *Standards of Professional Responsibility* in force from November 2014 to February 2016;
- c. Between April 2015 and June 2016, the Respondent failed to act with integrity, fairness, and in a manner that reflects positively upon the profession, failed to exercise reasonable and prudent professional judgment and failed to recommend and implement only those strategies that were prudent and appropriate for his client, K.O, in that he failed to ensure that she was invested in funds that were consistent with her actual risk tolerance and investment profile, rather than the risk tolerance and profile which were amended without her knowledge or authorization, contrary to Principles 1, 2, 3, 5 and 8 of the Code of Ethics and Rules 2, 15, 16, and 17 of the Rules of Conduct set out in the Standards of Professional Responsibility in force from November 2014 to May 2017;
- d. Between April 2015 and June 2016, the Respondent engaged in or associated with conduct involving dishonesty, fraud, deceit or misrepresentation and therefore failed to place his client's interests first and failed to act with integrity, fairness and in a manner that reflects positively upon the profession, in that he falsified trading instructions and supporting notes, contrary to Principles 1, 2, 5, and 8 of the Code of Ethics and Rules 1 and 2 of the Rules of Conduct set out in the Standards of Professional Responsibility in force from November 2014 to May 2017.
- e. Between February 1, 2015 and August 2016, the Respondent failed to disclose the conflict of interest to K.O. arising from the fact that he was both her landlord and her financial planner and failed to obtain K.O.'s written consent to continue managing her investments, contrary to Principles 1, 2 and 5 of the Code of Ethics and Rules 2, 8, 8.1 (effective June 2015), 9 and 10 of the Rules of Conduct set out

in the Standards of Professional Responsibility in force from November 2014 to May 2017.

3. In our December 18, 2020 decision, the Panel noted that FP Canada had requested that in our reasons we use the complainant's initials, K.O., to protect her identity. We continue to do so in these reasons.
4. For reasons that follow, the Panel orders the following penalty:
  - a. Effective immediately, Mr. Movassaghi is permanently banned from seeking renewal or reinstatement of his CFP® certification or any other certification with FP Canada™;
  - b. Effective immediately, Mr. Movassaghi is permanently banned from using the CFP certification and/or holding himself out as a CFP certificant; and
  - c. Mr. Movassaghi is required to pay costs to FP Canada in the amount of \$15,000 which costs are due to FP Canada within sixty (60) days from the date of this Order.

### **FACTUAL SUMMARY**

5. Mr. Movassaghi was certified by FP Canada (formerly the Financial Planning Standards Council) from February 1, 2015 to March 31, 2017, when he decided to not renew his certification.
6. Between May 22, 2013 and July 8, 2016, Mr. Movassaghi was registered as a mutual fund dealing representative and subject to oversight by the Mutual Fund Dealer's Association (MFDA). Between July 25, 2016 and September 2, 2016, Mr. Movassaghi was approved by the Investment Industry Regulatory Organization of Canada (IIROC) as a Registered Representative, and accordingly subject to IIROC oversight. The following chart summarizes the oversight jurisdiction relating to Mr. Movassaghi for the relevant time periods:

<b>Employer</b>	<b>Dates</b>	<b>Oversight Jurisdiction</b>
Investors Group Financial Services, Inc. (IG)	May 22, 2013 to January 31, 2015	MFDA
	February 1, 2015 to July 8, 2016	FP Canada and MFDA
N/A	July 9, 2016 to July 24, 2016	FP Canada
Harbourfront Wealth Management (Harbourfront)	July 25, 2016 to termination [September 2, 2016]	FP Canada and IIROC

7. In the fall of 2013, while employed as an Investors Group representative, Mr. Movassaghi solicited the complainant, K.O., as a client. At the time, K.O. was also Mr. Movassaghi's tenant in a rental condominium apartment he owned. Mr. Movassaghi solicited K.O. as his client even though he knew that Investors Group had forbidden him from soliciting his tenants as clients and had put their prohibition in writing.
8. The reason for the prohibition is that a financial planner has a conflict of interest when their client is also their tenant. It is reasonably foreseeable that the potential conflicts that may arise between a landlord and tenant could impair the financial planner/client relationship.
9. Investors Group had also told Mr. Movassaghi in writing that if he did obtain a client who was also a tenant of his, he had to inform Investors Group and provide a letter to the client disclosing the conflict of interest.
10. Nevertheless, having solicited K.O. as a client, Mr. Movassaghi failed to disclose to Investors Group the fact that K.O. was a tenant of his, and failed to provide a disclosure letter to K.O.
11. Mr. Movassaghi acknowledged that he knew of these requirements at the same time that he was violating them.

12. In January 2014, K.O. opened an RRSP and TFSA account through Mr. Movassaghi. In September 2014, she also opened a non-registered account for her corporation, also through Mr. Movassaghi. For each account K.O. completed a “know-your-client” document wherein she described her risk tolerance as “medium”, and her investment objectives as “moderate conservative to moderate”. She also agreed to monthly pre-authorized contributions to these investments from her bank account by signing documentation to that effect.
13. In April and June 2015, without K.O.’s knowledge or consent, Mr. Movassaghi forged her signature to new “know-your-client” documents that changed her risk profile from “medium” to “very high”, and her investment objectives from “moderate conservative to moderate” to “very aggressive”. He also forged K.O.’s signature to alter the pre-authorized contribution documents she had signed.
14. Having forged K.O.s’ signature on documents that adjusted her risk profile and investment objectives, Mr. Movassaghi then invested K.O. in mutual funds that were riskier than her true risk profile and investment objectives allowed and were therefore inappropriate investments for her.
15. From April 2015 to June 2016, Mr. Movassaghi made approximately 200 trades in K.O.’s account, including investments in inappropriately risky mutual funds, without K.O.’s knowledge or consent. Many of these transactions were documented by trading instructions and supporting notes that Mr. Movassaghi had falsified. For many of these transactions, K.O. provided documentation showing that she had been travelling outside the country or attending to work commitments that would have made it impossible for her to have given Mr. Movassaghi the instructions he claimed to have received.
16. In June 2016, Mr. Movassaghi told K.O. that he was moving from Investors Group to Harbourfront Wealth Management (“Harbourfront”). K.O. at this time was unaware that Mr. Movassaghi had forged her “know-your-client” documents and had falsified his trading instructions and supporting notes. Still, she had determined by this time to sever her financial planning relationship with Mr. Movassaghi. However, she did not want to confront him because she was still his tenant.

17. As an aside, the Panel notes that K.O.'s feelings on this issue demonstrate a good reason for Investors Group's prohibition on Mr. Movassaghi soliciting his tenants as clients, and also validate Investors Group's and FP Canada's disclosure processes regarding conflicts of interest.
18. K.O. believed that she could sever her relationship with Mr. Movassaghi with minimal confrontation by not signing the forms needed to transfer her account to Harbourfront. She believed that Mr. Movassaghi could not move her account to Harbourfront without her signature on the appropriate transfer documentation, even if she maintained to him in conversations and email correspondence that she was agreeable to the transfer.
19. Having been unable to obtain K.O.'s signature to the documents he needed to transfer her account from Investors Group to Harbourfront, Mr. Movassaghi forged K.O.'s signature on those documents.
20. K.O. discovered Mr. Movassaghi's forgery of the transfer documents on August 18, 2016 when Investors Group told her that her account had been transferred to Harbourfront. Investors Group also advised her of the fees incurred for the transfer. Later, as IIROC, MFDA and FP Canada conducted their investigations, Mr. Movassaghi's other forgeries and misconduct came to light.
21. FP Canada made allegations against Mr. Movassaghi as set out above in its request for hearing panel dated January 31, 2020. Cross-examinations on Mr. Movassaghi's, K.O.'s and Carolyn Westlake's (FP Canada investigator) affidavits were conducted on August 19, 2020. A hearing was conducted on November 18, 2020, and a decision released on December 18, 2020. In that decision the Panel found that Mr. Movassaghi had committed misconduct on all six allegations that FP Canada had made, and adjourned the hearing until a date to be agreed on by the parties to consider submissions as to penalty.

## **JURISDICTION**

22. Rule 8.2 of the FP Canada Standards Council™ Disciplinary Rules and Procedures states that the Hearing Panel may order any one, or a combination, of the following forms of discipline:
  1. A letter of admonishment, delivered by the Hearing Panel;

2. Imposition of a remedial action plan;
3. Temporary suspension of the right to use the Certification Marks;
4. A temporary or permanent ban from seeking renewal or reinstatement of certification;
5. Permanent revocation of certification and the right to use the Certification Marks;
6. An award of costs of the proceedings against the FP Canada certificant; and
7. Such other penalty as the Hearing Panel may deem appropriate.

### **THE PARTIES' SUBMISSIONS ON PENALTY**

23. In its decision of December 18, 2020, the Panel requested written submissions from the parties on penalty.

24. Mr. Movassaghi did not provide any substantive submissions on penalty. Rather, counsel for Mr. Movassaghi sent the following email on January 18, 2021:

I have spoken with my client and he advises that he no longer wishes to participate in these proceedings.

He's spent the better part of the last 5 years answering the same questions throughout various hearings and investigations. It's clear that FPSC has no interest in seeking the truth, but rather, its mission is to persecute my client. This is evidenced by the fact that it did not bother hearing from Ms. Blythe or Ms. Babarika, the latter having actually witnessed the former forge a signature.

The evidence came out during the MFDA proceedings in November but FPSC refused to entertain it. Further, Mr. Harris was the supervisor of both my client and Ms. Blythe. Yet, it's only my client who FPSC targeted.

Further, the manner in which these proceedings were conducted runs contrary to the principles of due process and procedural fairness. Quite frankly, it made a mockery of both.

This is all to say that my client rejects the panel's findings and will not respond to any further inquiry.

25. By way of clarification, the Ms. Blythe referred to in Mr. Movassaghi's counsel's email is Ms. Kindle Blythe, who was at all material times an associate of Mr. Movassaghi's,



who worked with him and shared commission income with him. Ms. Babarika was an administrative assistant to Mr. Movassaghi and Ms. Blythe. The Panel also referred to Ms. Blythe, Mr. Harris and Ms. Babarika in our decision of December 18, 2020.

26. In our decision of December 18, 2020, the Panel dealt with Mr. Movassaghi's counsel's accusations of bias, and with his motions to allow evidence to be put before the Panel well beyond the time such evidence was to have been introduced. The Panel also dealt with Mr. Movassaghi's accusation of racism against the Panel.
27. The allegations that Mr. Movassaghi's counsel has made at this time are of the same nature as the allegations he made against the Panel when the Panel met on November 18, 2020. Further, there is nothing in Mr. Movassaghi's counsel's email that would cause us to revisit the decisions we made in our December 18, 2020 decision regarding his attempts to introduce evidence beyond the time for when it should have been introduced, and for which Mr. Movassaghi or his counsel should have obtained MFDA permission to allow its use before the Panel. However, the Panel believes that it is necessary to deal with one issue that counsel for Mr. Movassaghi has raised in his most recent email.
28. Mr. Movassaghi's counsel submitted, "It's clear that FPSC has no interest in seeking the truth, but rather, its mission is to persecute my client." In support of this submission, he refers to the fact that the Panel did not consider evidence from Ms. Blythe or Ms. Babarika, a matter the Panel disposed of in our decision of December 18, 2020, and which we will not revisit in these reasons.
29. Mr. Movassaghi's counsel also supports his submission by noting that, "Mr. Harris was the supervisor of both my client and Ms. Blythe. Yet, it's only my client who FPSC targeted."
30. Regarding this submission, the Panel notes two things. First, counsel for Mr. Movassaghi is describing a practice known as, "selective prosecution," prosecuting one person but not others, even when those others may have committed the same offence. Second, selective prosecution is not a defence under Canadian law.<sup>1</sup> Mr. Movassaghi's counsel advanced no other arguments in support of his submission that his client had been persecuted. The

---

<sup>1</sup> *Polai v. City of Toronto* [1973] S.C.R. 38; *City of Coquitlam v. Aweryn, et al.* 2000 BCSC 777; *Isabey v. Health Services Commission* (Man.) et al. [1985] 36 Man.R. (2d) 37 (Manitoba Court of Queen's Bench).

Panel therefore rejects the submission made by counsel for Mr. Movassaghi that FP Canada has persecuted Mr. Movassaghi.

31. FP Canada's submissions on penalty were received by the Secretary to the Panel on January 18, 2021.

### **DECISION AND REASONS FOR PENALTY**

32. Counsel for FP Canada submitted that, "Mr. Movassaghi was found to have engaged in one of the most serious types of misconduct possible for a CFP professional, namely conduct involving dishonesty, fraud, deceit or misrepresentation." She also noted that by "forging his client's signature on multiple types of documents, including Know Your Client ("KYC") documents, and falsifying trading instructions and supporting notes, Mr. Movassaghi failed to act with integrity, fairness and in a manner that reflects positively upon the profession."
33. FP Canada's counsel also submitted that Mr. Movassaghi's actions had to be taken "seriously to foster public confidence in FP Canada's ability to govern the profession." The Panel agrees with each of the three quotations we have cited from counsel for FP Canada's submissions in this and the preceding paragraph.
34. Counsel for FP Canada referred the Panel to the FP Canada Hearing Panel decision, *In the Matter of FPSC® and Einar Lisborg, CFP®* ("Lisborg"),<sup>2</sup> as supporting her submission that forgery is a serious form of misconduct, even when the forgery is done for reasons of client convenience, the client suffers no financial or other harm, and the certificant obtains no financial benefit. In *Lisborg*, Mr. Lisborg forged client signatures to client documents. The Hearing Panel in that case accepted Mr. Lisborg's explanation that he committed the forgeries to facilitate client convenience, but emphasized that forgery was nevertheless a serious matter.
35. In our view, even though forgeries such as Mr. Lisborg's may seem innocuous, they cause harm because they demonstrate to the client and the public that the certificant is willing to commit an act of dishonesty, and behave without integrity, however well-intentioned.

---

<sup>2</sup> Disciplinary Hearing Decision and Reasons on Penalty, dated August 13, 2018.

36. Honesty and integrity are part of the financial planning profession's foundation. Clients, other members of the financial planning profession, and members of the public must believe that a CFP® certificant will not sacrifice the values of honesty and integrity even when it seems on a cursory glance that no harm will result. If left unpunished, such conduct would send a message to the public that FP Canada is not committed to honesty and integrity among its members. Over time, this lack of commitment would erode the trust that the public places in financial planners who have earned the CFP® designation.
37. Nor is the assertion valid that no harm comes from such actions. The documentation that Mr. Lisborg treated as an inconvenience to be avoided through forgery is part of an important process that protects clients' interests, and emphasizes to them the importance of financial planning. Such documentation cannot be dispensed with, however severe the perceived inconvenience. For these additional reasons, the Panel agrees with counsel for FP Canada that acts of forgery are serious offences.
38. Counsel for FP Canada also directed our attention to another case: *In the Matter of FPSC® and Donald Cameron Welsh, CFP®* ("Welsh"), Disciplinary Hearing Decision and Reasons dated July 12, 2017. Unlike Mr. Lisborg, Mr. Welsh did not commit forgery, but he did use pre-signed forms to effect transactions on behalf of his clients, and initially misled his employer to conceal his misconduct. As with Mr. Lisborg's case, Mr. Welsh's clients did not suffer financially, nor did he benefit financially. Still, like Mr. Lisborg, Mr. Welsh received a penalty for his misconduct.
39. Of course, Mr. Movassaghi's forgery and document falsification is of a different, far more serious, nature than Mr. Lisborg's or Mr. Welsh's. By forging K.O.'s signature on the documents needed to transfer her account from Investors Group to Harbourfront, Mr. Movassaghi committed an act of dishonesty that benefited him financially, and caused financial and other harm to his client, K.O.
40. Further, when Mr. Movassaghi forged K.O.'s signature on her "know-your-client" and pre-authorized contribution documents, and falsified his trading instructions and supporting notes, he benefitted financially by allowing himself to put K.O. into more aggressive mutual funds, and to churn her account to generate more income for himself.

41. In contrast to the financial benefits Mr. Movassaghi gained from his dishonesty, K.O. was charged \$3,600 in deferred sales charges when her account was moved to Harbourfront, and suffered an investment loss of \$22,065.59.<sup>3</sup> Although Investors Group ultimately reimbursed K.O. for her sales charges and losses, this does not undo the fact that Mr. Movassaghi caused harm to K.O. that needed remediation, nor does Investors Group's actions enure to Mr. Movassaghi's benefit. On the contrary, Mr. Movassaghi is responsible for these elements of financial harm K.O. suffered, yet Investors Group, not Mr. Movassaghi, reimbursed K.O. for them.
42. Mr. Movassaghi's forgery and falsification of documents caused K.O. other financial harm. She testified in her affidavit evidence that she lost about \$20,000 in income for days that she could not work because of hearings and lawyers' meetings she had to attend, and in dealing with the mental health repercussions stemming from Mr. Movassaghi's misconduct. We will return to this issue of mental health repercussions later in these reasons. For present purposes, the Panel regards the financial losses K.O. suffered from dealing with those mental health repercussions as equally real and detrimental to her as her lost work, investment losses, and deferred sales charges.
43. Because Mr. Movassaghi benefitted financially from his misconduct, and because that misconduct caused financial harm to his client, K.O., the Panel accepts the submission from counsel for FP Canada that Mr. Movassaghi's misconduct is far more serious than that of Mr. Lisborg or Mr. Welsh.
44. Mr. Movassaghi cooperated to a limited degree with FP Canada in its investigation. He reported the matter himself, and attended an initial interview with FP Canada's investigator. Still, though requested to attend a second interview with FP Canada's investigator, he declined. The Panel concludes that his cooperation was limited.
45. Mr. Movassaghi has also been punished for some of his misconduct by IIROC. As part of a settlement agreement he reached with them, he received a prohibition from applying for registration with IIROC for eight months, a \$27,500 fine, twelve months close supervision upon re-approval for registration, and costs against him of \$2,500.

---

<sup>3</sup> Affidavit of K.O., dated July 15, 2020, paragraphs 37 to 39, and Reply Affidavit of K.O., dated August 11, 2020, paragraphs 24 and 25.

46. Subsequent investigation by IIROC resulted in additional allegations of misconduct against Mr. Movassaghi. Those allegations were set to be heard on January 20-21, 2021, but were adjourned to March 3, 2021.<sup>4</sup> As of this writing, the Panel has no information on the outcome of this second IIROC proceeding.
47. Mr. Movassaghi is also the subject of a hearing before the MFDA arising from his actions concerning K.O. As of this writing, the latest step in the process was that the hearing had begun, but had been adjourned until March 19, 2021.<sup>5</sup>
48. We return now to the issue of the harm that Mr. Movassaghi's misconduct caused to K.O., and in particular the harm to her mental health. Although we have described Mr. Movassaghi's misconduct as serious, we believe that we must explain in some detail exactly why we regard it as serious.
49. The Panel notes that when someone forges another person's signature in an effort to enrich themselves, as Mr. Movassaghi did, they appropriate their victim's identity, and thereby commit a violation against that person. In the Panel's view, K.O. expressed this concept well in her affidavit, when she referred to Mr. Movassaghi's lack of respect for her boundaries.<sup>6</sup> By violating those boundaries, Mr. Movassaghi intruded on K.O.'s private spaces. K.O. testified in her affidavit, "Because he [Mr. Movassaghi] did not respect my boundaries after I learned of the forgery, I feared for my safety."<sup>7</sup>
50. In her affidavit, K.O. expressed this fear in several different ways. She recounted the following incident in her affidavit:
33. On August 30, 2016, at approximately 9:30 a.m., I emailed the CEO of Harbourfront, copying Mr. Movassaghi, Ms. Blythe as well as FP Canada, advising that I was aware of [sic] that my signature had been forged.... Shortly thereafter, at approximately 10:30 a.m. on that same day, Ms. Blythe showed up at my condominium. She used a key to gain access to the secure building and elevator.

---

<sup>4</sup> [https://www.iiroc.ca/Documents/2021/c0728c1c-6b5f-4ace-ab35-fbddef145a3e\\_en.pdf](https://www.iiroc.ca/Documents/2021/c0728c1c-6b5f-4ace-ab35-fbddef145a3e_en.pdf).

<sup>5</sup> <https://mfda.ca/news-release/adjourn201925mm-2/>.

<sup>6</sup> Affidavit of K.O., dated July 15, 2020, paragraph 40.

<sup>7</sup> Affidavit of K.O., dated July 15, 2020, paragraph 40.

34. I no longer felt safe living in the condominium I had rented from Mr. Movassaghi; therefore, I moved out approximately 3 hours later.<sup>8</sup>

51. She also testified in her affidavit that she had not arranged for a new place to live before she moved out of her apartment. She had to stay with friends for a month, because she did not feel safe living in an apartment to which Mr. Movassaghi had access.<sup>9</sup>

52. K.O. also testified in her affidavit that Mr. Movassaghi “repeatedly called, texted and emailed when I had asked him not to,” causing her to ask security to escort her to her car for almost a year out of fear that he would attend at her new building and try to talk with her.<sup>10</sup>

53. K.O. testified in her affidavit that she also screened her telephone calls, because Mr. Movassaghi had called her using a different number.<sup>11</sup>

54. Even at the time of writing her affidavit, several years after the events that have formed the subject matter of this hearing, K.O. testified in her affidavit that she avoids people who from a distance look like Mr. Movassaghi.<sup>12</sup>

55. The Panel can understand that if Mr. Movassaghi had so little regard for K.O. that he would forge her signature for his own personal gain, K.O. was justified in feeling that he may have had as low a regard for her privacy in an apartment to which he had the keys. We say this knowing that there is no evidence before us that Mr. Movassaghi was contemplating any misconduct other than what he had already committed. However, in considering the effect of his misconduct on K.O. it is appropriate for us to consider what we regard as K.O.’s very real concerns for her safety as part of the effect that Mr. Movassaghi’s misconduct had on her.

56. K.O. also testified in her affidavit to the stress of trying to recover her financial losses, reviewing documents disclosing transactions she did not consent to, and documents where her signature had been forged. At times, she testified, she was not mentally fit to handle the demands of her job. In order to preserve K.O.’s privacy, the Panel is refraining

---

<sup>8</sup> Affidavit of K.O., dated July 15, 2020, paragraph 33.

<sup>9</sup> Affidavit of K.O., dated July 15, 2020, paragraph 40.

<sup>10</sup> Affidavit of K.O., dated July 15, 2020, paragraph 40.

<sup>11</sup> Affidavit of K.O., dated July 15, 2020, paragraph 40.

<sup>12</sup> Affidavit of K.O., dated July 15, 2020, paragraph 40.

from disclosing her occupation. We are only prepared to say that K.O. holds a demanding and responsible position that requires concentration free from the stresses that Mr. Movassaghi's misconduct imposed on her.

57. K.O. also testified that because of the stress of dealing with Mr. Movassaghi's misconduct, she could not honour speaking engagements she had committed to, and has not been asked back to speak at those events.
58. Finally, K.O. testified that she has attended counselling to help her manage her anxiety and anger over what Mr. Movassaghi has done.
59. We therefore regard Mr. Movassaghi's forgery and falsification of documents as serious not only because of their dishonesty, but because his actions reveal his profound lack of respect for others, particularly his client, and produced a serious and lasting impact on his client personally, one from which she is still trying to recover.
60. Mr. Movassaghi had an opportunity to respond to the written submissions on penalty that counsel for FP Canada made. If he had taken that opportunity, he could have expressed remorse for what he had done, and could have shown some insight into how his actions had harmed K.O. He chose not to do so. Nor did his counsel's written remarks referred to near the outset of this decision contain any measure of contrition or remorse on his client's behalf for the impact that Mr. Movassaghi's misconduct has had on K.O., or the damage that Mr. Movassaghi's conduct has done to the reputation of the Financial Planning profession in general.
61. Counsel for FP Canada, in her submissions on penalty, referred to evidence obtained during FP Canada's investigation of K.O.'s complaint, and during her cross-examination of Mr. Movassaghi on his affidavit. She sought to draw inferences from Mr. Movassaghi's evidence. Counsel noted that we may not use a lack of remorse or insight as an aggravating factor to justify an increased penalty. However, she also noted that Mr. Movassaghi cannot expect to have his penalty reduced if he expresses no remorse or insight into his misconduct.
62. In our view, we can only examine a small part of the evidence that counsel has drawn to our attention in considering whether Mr. Movassaghi has or has not expressed remorse for his misconduct, or has developed any insight into it. Mr. Movassaghi was entitled to

mount a vigorous defence to the allegations that FP Canada brought against him. If he believed that showing remorse or insight into his misconduct would weaken his defence, or amount to an admission of guilt, he was entitled to not show such remorse or insight at that time. The Panel is not entitled to make any conclusion based on Mr. Movassaghi's conduct up to and immediately before the hearing as that conduct affects questions of remorse or insight. However, we do believe that it is appropriate for us to examine Mr. Movassaghi's evidence before the hearing as far as that evidence concerned uncontested matters, namely his settlement agreement with IIROC.

63. Under cross-examination concerning his settlement with IIROC, Mr. Movassaghi described his conduct as "a mistake and it was wrong. I own that. And I paid the cost." Mr. Movassaghi did not specify how he had paid the cost. At that point in the proceedings the only regulatory decision against him was the decision rendered by IIROC following his settlement agreement. He had also lost his job with Harbourfront and had lost a lawsuit alleging that Harbourfront had wrongfully dismissed him. He was facing disciplinary action from FP Canada, the MFDA and an additional proceeding from IIROC. The Panel interprets his statement, "I paid the cost" as an assertion on his part that the penalties imposed on him to that point have been sufficient, and that no further penalties are warranted.
64. The Panel does not believe that Mr. Movassaghi's statement amounts to an expression of remorse, nor does it express the level of insight that his misconduct warrants.
65. The Panel therefore relies on the fact that, other than the statement referenced above, and notwithstanding the serious nature of his misconduct and the severe impact it has had on K.O., Mr. Movassaghi has made no significant or sincere expression of remorse, or shown any insight into the consequences of his misconduct.
66. Regarding mitigating factors, Mr. Movassaghi was new to the financial planning industry. The Panel questions how a newcomer to the industry could have made approximately 200 trades on a client's account in a little more than a year without drawing some inquiries from his superiors, and without having to explain how these trades were in the client's best interest. We are concerned that Mr. Movassaghi may not have been properly supervised. Nevertheless, if this was a factor that could have



supported Mr. Movassaghi's defence or reasons for a lesser penalty, it was his and his counsel's job to bring evidence before the Panel in a timely manner to support it. Mr. Movassaghi, personally or through his counsel, did not do so.

67. Counsel for FP Canada referred us to two decisions where FP Canada Hearing Panels imposed the penalties that FP Canada is seeking in this case. Those cases are: *In the Matter of FP Canada Standards Council v. John Paul Sanchez*, Disciplinary Hearing Decision and Reasons on Penalty, dated September 11, 2019 and *In the Matter of FPSC<sup>®</sup> and Kevin Thomas Cahill*, Decision and Reasons on Penalty dated May 16, 2018.
68. In *Sanchez*, Mr. Sanchez sold over \$25 million in investments to his clients in which he and his family had a significant financial interest. He failed to disclose his conflict of interest to his clients, concealed and destroyed evidence, and displayed no level of insight or remorse for his actions. However, his clients did not suffer financially from Mr. Sanchez's misconduct. Nevertheless, Mr. Sanchez received the same penalty that FP Canada is asking us to impose on Mr. Movassaghi.
69. In *Cahill*, Mr. Cahill was the co-executor of his father's estate. On his death, Mr. Cahill's father had left \$100,000 for Mr. Cahill and his sister to administer in trust for the benefit of their brother. Mr. Cahill's sister abdicated her responsibilities as trustee to Mr. Cahill. Mr. Cahill, instead of fulfilling his duties and responsibilities as executor and trustee, never established the trust, misappropriated the funds for his own purposes, lost them in a failed business venture, then declared bankruptcy. Mr. Cahill also had a prior discipline history arising from his sexual assault of a co-worker.
70. In the Panel's view, absent the prior discipline history, *Cahill* comes closest in severity to Mr. Movassaghi's misconduct. Mr. Cahill's and Mr. Movassaghi's misconduct showed a complete disregard for the rules of honesty and respect for others that form part of FP Canada's Standards of Practice. In *Cahill*, Mr. Cahill misappropriated his brother's trust funds for his own use, and then lost them. In this case, Mr. Movassaghi forged K.O.'s signature and falsified documents for his own financial benefit, and to the financial detriment of his client.
71. In deciding on an appropriate penalty for Mr. Movassaghi, the Panel must also consider how the penalty we impose will serve the public interest. The evidence that we have

referred to in our decision of December 18, 2020, and in this decision, demonstrates that Mr. Movassaghi has no respect for the rules governing the financial services industry, and is willing to violate those rules when he believes that doing so serves his interests. The evidence also shows that he does not appear to care about the repercussions his actions could cause for him, his associates, clients, employers, and the public at large. Nor has he shown a level of remorse or insight into his behaviour commensurate with his misconduct. As such, the Panel believes that Mr. Movassaghi poses a threat to members of the public who rely on and trust financial advisors to assist them in planning their financial affairs.

72. At the outset of these reasons, we said that we agree with counsel for FP Canada that the misconduct that Mr. Movassaghi engaged in was “one of the most serious types of misconduct possible for a CFP professional, namely conduct involving dishonesty, fraud, deceit or misrepresentation.”

73. The Panel therefore concludes that Mr. Movassaghi’s misconduct fully justifies the penalties that FP Canada is seeking.

## **COSTS**

74. FP Canada also seeks costs against Mr. Movassaghi in the amount of \$15,000. This is a large amount for costs when compared with other discipline cases that FP Canada has held. However, the Panel believes that the amount is justified.

75. Counsel for FP Canada referenced the tariff under Article 8.2 of the Disciplinary Rules and Procedures (DRP) to the following effect:

Where costs of the proceeding are sought by the Standards Council and the Hearing Panel awards costs against the FP Canada certificant, the Hearing Panel may consider, among other factors, the following:

1. The costs and expenses incurred by FP Canada or its Divisions including, without limiting the generality of the foregoing:
  - a. Costs incurred during the investigation (applying the tariff rate of \$106 per hour for time spent by the investigator); and
  - b. Out-of-pocket expenses incurred by FP Canada or its Divisions during the course of the investigation and prosecution; and

2. Legal or other costs associated with the investigation and prosecution (applying the tariff rate of \$150 per hour for time spent by the prosecutor);
  3. Whether the FP Canada certificant delayed or prolonged the proceedings, including any failure to cooperate with the Standards Council's investigation;
  4. The respective degree of success of the parties in the proceedings; and
  5. Any other matter the Hearing Panel considers relevant.
76. Counsel for FP Canada noted the costs of investigating Mr. Movassaghi's misconduct, in the amount of 74.25 hours, and 35 hours in preparing for the discipline and penalty hearings, at \$106 per hour, for a total of \$11,580.50.
77. Counsel for FP Canada also noted that she had spent at least 100 hours in legal work on this matter. At \$150 per hour, the cost for her time amounted to \$15,000.
78. Costs as per the tariff were therefore \$26,580.50. The amount that FP Canada is asking for, \$15,000, represents slightly less than 57% of FP Canada's costs as per the tariff.
79. Counsel for FP Canada pointed out other unspecified expenses, such as retaining independent counsel early on in an attempt to settle this matter. She also noted that Mr. Movassaghi's actions, through his counsel, added to the costs of this matter. Mr. Movassaghi made more than one motion to admit transcripts into evidence after his initial motion was denied. He also made a motion to delay the hearing to permit evidence from Mr. Movassaghi's MFDA hearing. His motions were also generally made at the last minute with inadequate supporting materials.
80. In the Panel's view, the amount claimed for costs, \$15,000, is justified through the record of expense that FP Canada has been put to in prosecuting Mr. Movassaghi's misconduct.
81. The Disciplinary Rules and Procedures (DRP) also allows the Panel to consider the fact that FP Canada was entirely successful in proving its allegations of misconduct against Mr. Movassaghi in assessing FP Canada's costs.
82. Considering these submissions, the Panel is prepared to order costs in the amount requested by FP Canada.

## **ORDER**

1. Pursuant to its authority under Rule 8.2 of the FP Canada Standards Council™

Disciplinary Rules and Procedures, the Panel makes the following penalty order:

- a. Effective immediately, Mr. Movassaghi is permanently banned from seeking renewal or reinstatement of his CFP® certification or any other certification with FP Canada™;
- b. Effective immediately, Mr. Movassaghi is permanently banned from using the CFP certification marks and/or holding himself out as a CFP certificant; and
- c. Mr. Movassaghi is required to pay costs to FP Canada in the amount of \$15,000 which costs are due to FP Canada within sixty (60) days from the date of the Hearing Panel's Order.

**DATED** this 23rd day of March, 2021



Stuart Dollar, CFP®, Chair of the Hearing Panel



Timothy Bertrand CFP®



Albert Pelletier