



REPORT ON DISCIPLINARY ACTION

Details of Hearing: Christopher J. Singer, CFP® (Surrey, BC)

On December 13, 2017, a Financial Planning Standards Council (FPSC®) Discipline Hearing Panel considered a Joint Settlement Agreement between FPSC and Christopher J. Singer, CFP®.

Background

Mr. Singer was certified by FPSC as a CERTIFIED FINANCIAL PLANNER® professional in January 2005. He has consistently renewed his certification and does not have a prior disciplinary history with FPSC.

In 2017, as a result of a client complaint, Mr. Singer entered into a Settlement Agreement with the Mutual Fund Dealers Association of Canada (MFDA) in which Mr. Singer admitted that he breached MFDA rules and regulations. By Order dated February 22, 2017, a MFDA Hearing Panel ordered that Mr. Singer pay a fine of \$63,500, and that he pay costs to the MFDA of \$10,000.

Applicable Standard

The admitted misconduct took place between June and December 2011. The *CFP™ Code of Ethics* (the “Code of Ethics”) was in force until November 2011 and the *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificants in Financial Planning* (the “Standards”) was in force from November 2011 to October 2014. The following Rules applied to Mr. Singer’s conduct at the time:

1. Rule 201 of the *Code of Ethics* – A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.
2. Rule 202 of the *Code of Ethics* – A CFP professional shall act in the interests of the client.
3. Rule 702 of the *Code of Ethics* – A CFP professional shall make and/or implement only those recommendations that are suitable for the client.
4. Rule 2 of the *Standards* – A CFP professional shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a CFP professional, the CFP marks or the profession.
5. Rule 18 of the *Standards* – A CFP professional shall perform financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.

Procedural History

Mr. Singer self-reported the client complaint and the review of his conduct by the MFDA to FPSC when completing his annual CFP certification renewal form for 2015/2016.

In July 2017, FPSC’s Conduct Review Panel directed that the matter be referred to a Disciplinary Hearing Panel.

The FPSC Discipline Hearing Panel convened on December 13, 2017 to consider a proposed Joint Settlement Agreement between FPSC and Mr. Singer dated November 8, 2017.

Admitted Conduct

Mr. Singer and FPSC entered into a Settlement Agreement in which Mr. Singer admitted, among other things, that:

- In March 2011, he entered into a client relationship with a 62-year old real estate agent who had a novice level of investment knowledge and a history of investing in real estate. The client indicated that it was her intention to retire within three to five years and that she was planning on purchasing a new home once she found a suitable property.
- In June 2011, the client sold her home and consulted with Mr. Singer regarding the investment of the sale proceeds. The client advised Mr. Singer that she intended to apply a portion of the proceeds in a low-risk short-term investment with the balance invested in a manner that would provide a source of income during retirement.
- Mr. Singer recommended that his client apply a portion of the funds towards the purchase of units of a Return of Investment (ROI) Private Placement Fund and the balance towards the purchase of units of a ROI High Yield Private Placement Fund (together, the "ROI Funds"). The ROI Funds were exempt securities. The investment objective of the Funds was long-term capital appreciation. At the time of the client's purchase of the ROI Funds, they were classified as "medium risk".
- In April 2012, the client requested a redemption from her open account to pay expenses for her daughter's wedding. The ROI Funds were frozen by the issuer and redemptions were not permitted. In October 2012, the client had an opportunity to purchase a property; however, she was unable to realize on this opportunity because the funds remained halted and redemptions were not permitted.
- The client redeemed her investments in April and May 2014 and incurred a loss.

Mr. Singer further admitted that:

- While he did provide the client with information and she acknowledged an understanding of the risks, he failed to adequately explain the risks associated with the proposed investments.
- As a CFP professional, he had an obligation to ensure that his recommendations were suitable for his clients given their needs, goals and time-horizon. Based on the information now available to him, Mr. Singer acknowledges that the ROI Funds were not suitable for his client, despite his belief to the contrary at the time.

FPSC Hearing Panel Decision

The Hearing Panel determined the Joint Settlement Agreement and proposed penalty were reasonable and should be accepted in accordance with Article 6.8 of the FPSC *Disciplinary Rules and Procedures*.

The Hearing Panel noted, among other things, that:

- Mr. Singer voluntarily reported the MFDA matter to FPSC;
- Mr. Singer fully cooperated with the FPSC investigation;
- Mr. Singer does not have a prior disciplinary history with FPSC; and

- Mr. Singer has complied with the terms of the order imposed by the MFDA, and the underlying concerns have been addressed by MFDA.

The Panel accepted the joint proposed Penalty and on January 12, 2018, Ordered that:

- a. Mr. Singer is to receive a Letter of Reprimand from the Hearing Panel;
- b. Mr. Singer shall complete, at his own expense, the required twenty-five (25) hours of Continuing Education (“CE”) between January 2018 and December 2018. In addition, Mr. Singer shall complete, at his own expense, an additional one (1) hour of CE in the category of Professional Responsibility, for a total of two (2) hours of FPSC-accredited CE in the category of Professional Responsibility;
- c. Mr. Singer shall provide proof of completion of the CE credits detailed in the above paragraph to FPSC by December 31, 2018;
- d. Mr. Singer shall pay costs to FPSC in the amount of \$2,000, which costs are due to FPSC within sixty (60) days of the date of the Hearing Panel’s Order; and
- e. Mr. Singer agrees that failure to comply with the terms of an Order of the Hearing Panel will preclude him from reinstating his CFP certification.

On January 31, 2018, Mr. Singer paid costs in full to FPSC, in the amount of \$2,000.

On August 13, 2018, Mr. Singer provided proof of completion of the required twenty-six (26) total hours of CE.