# WP WEALTH PROFESSIONAL CANADA

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# HALL *of* FAME

***WPC*** **spotlights some of Canadian wealth management's most visionary leaders**

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SPECIAL REPORT

# HALL of FAME

## *Wealth Professional Canada's* first Hall of Fame brings together some of the most recognizable and accomplished advisors in wealth management

**THE ABILITY** to provide sound financial advice is a skill that takes years to master, which is why those at the top of the profession tend to have a few grey hairs. Managing a person's finances means protecting their future, and it's a responsibility not to be taken lightly.

*Wealth Professional Canada*'s inaugural Hall of Fame showcases 11 veterans who have enhanced the status of financial advisors in Canada. All have more than 30 years in the business, which has allowed them to experience how the job of the financial advisor has shifted from simply selling life insurance or mutual funds to holistic financial planning. The advisors featured here have thrived by adapting to the industry's evolution.

That's not to say everything in the wealth management garden is entirely rosy, and many of this year's Hall of Fame members cite increased regulation as more of a hindrance than a benefit for consumers. By and large, though, these veterans are positive about the advisory business and where it's headed. As Canada's wealth transfers from one generation to the next, a demographic shift is occurring in wealth management, too. It's the responsibility of seasoned advisors to ensure this transition goes smoothly – a role this year's Hall of Fame members are keen to embrace.

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## DAN LONEY

Owner and president
**Loney Financial**

Years as an advisor: 30

It was a family tragedy that first inspired Dan Loney to become a financial advisor three decades ago. "I naturally had an interest in investments and working to help people improve the quality of their lives," he says. "My father was a successful businessman and was killed in an airplane crash. When his corporate assets were frozen in lawsuits, I saw what insurance can do to protect a family and maintain a good standard of living."

Today, Loney provides that same service to clients through Loney Financial, the company he founded in 1995. His career arc hasn't been a straight upward trajectory, but after some lean early years, Loney was able to establish himself and eventually open his own practice. Now a veteran of the business, he is worried about the lack of young advisors making the same journey he did.

"Thirty years ago, there were many great companies that would train a new advisor and help them get started in the industry," he says. "Today the list is limited, and we have an average age around 60, whereas when I started, there were lots of advisors in their 30s."

Another obstacle new entrants must overcome is the often negative public opinion of the industry – which isn't entirely unwarranted, Loney admits. "Research has shown that the public is not really keen on the advisory industry, but are very positive about their personal advisor," he says. "In recent times the industry's reputation has suffered through dishonest advisors like Bernie Madoff and the negative coverage of the Canadian banks pressuring advisors to sell products that clients don't need."

Such behaviour didn't go unnoticed by the regulators, but in Loney's opinion, the response has been disproportionate. "Regulators seldom stop the crooked advisors from their activities, but their compliance regulations have become burdensome for the industry," he says. "Regulation is not bad, but it must represent both the client and the industry to move forward. England is an example of regulation gone bad, where it hurt clients and many advisors left the business."

Such an outcome could materialize in Canada, too, and with a lack of new advisors coming in, could prove devastating for the industry. But Loney believes there's an obvious way to avoid this. "I would like to see a compensation package that makes it easier for young advisors to get started in the industry," he says. "Compensation has been declining, and it hurts the young advisors more than anyone."

# SPECIAL REPORT

## LAURIE BONTEN

Founder and senior vice-president
**Wellington-Altus Private Wealth**

Years as an advisor: 31

In more than three decades in the investment industry, Laurie Bonten has risen from the position of office clerk to co-founding her own firm, Wellington-Altus Private Wealth. "I started at Midland Doherty in November 1982 as an office clerk who basically did everything from being a wire operator to answering phones, cheques and deposits, deliveries – back in that time we delivered actual certificates to institutions – and helping the brokers with various duties," Bonten recalls.

It proved to be a valuable learning experience; in 1986, Bonten became a broker at Merrill Lynch Canada. She then spent more than a decade with BMO Nesbitt Burns as an advisor before arriving at asset manager Wellington West in 2003 under the guidance of her investment mentor, Charlie Spiring. Wellington was subsequently acquired by National Bank Financial, where Bonten spent five years before returning to her roots, co-founding Wellington-Altus Private Wealth with Spiring last year.

Today, Bonten is the one doing the mentoring, in what is an increasingly challenging environment for young advisors. "When I started, it was a simple process to set someone up to start investing," she says. "We basically bought stocks and bonds and didn't do much else. I think all the change has been for the better, and most of the paperwork is due to heavier compliance, which I think has been the best thing for both the advisors and the clients. I have seen a few bad seeds, and it breaks my heart when clients have been taken advantage of."

Increased regulatory pressure isn't welcomed by most in the industry, but Bonten sees it as a necessary evil. The advisor-client relationship is built on trust, so efforts to stamp out unethical behaviour should be paramount, she says.

Another development that gives her cause for concern is the influence of the Big Six banks. "I think the biggest challenge is that the banks don't want independent advisors and would rather manage all their clients' money," she says. "At a branch level, the expertise is fairly low – clients deserve more advice than they are getting. It is a complex investment world, so I know that clients need actual advisors versus robo-advisors or bank employees."

## G. BRADLEY MOORE

Portfolio manager
**SAGE Connected Investing**
**Raymond James**

Years as an advisor: 34

As a portfolio manager with SAGE Connected Investing, Bradley Moore's main goal is to grow his clients' assets. Before starting his career in wealth management, however, he had different growth in mind. "I started in 1983 as a stockbroker for Moss Lawson & Company in Toronto," he says. "I got the job because I was a good tree planter. Their sales manager thought anyone who planted 5,000 trees per day could accomplish anything."

Going from planting trees to trading stocks isn't exactly a natural switch, but Moore's work ethic allowed him to succeed in both realms. He also isn't afraid to try new things, which has served him well. "I did leave the investment management profession in 1987, just before Black Monday, to work in the real estate side of the investment world," he says. "The move gave me a much better understanding of investing and wealth creation … after two years, I came back."

Moore has remained in wealth management ever since, putting in time at Merrill Lynch and McLean & Partners before arriving at SAGE in 2010. He still retains the same passion for the job as when he started in the business some 34 years ago. "I have always been intrigued by business and entrepreneurs," Moore says. "So being a financial advisor, where I'm paid to study businesses and serve entrepreneurs, seemed like a dream job – it scarcely feels like work at all. After 34 years, I am enjoying this profession more than ever."

As far as changes in the industry, the emergence of the internet has clearly had a huge effect on an advisor's day-to-day job. "In the '80s, I monitored and ranked around 60 Canadian stocks," Moore says. "Back then, much of my intel came from waiting by my mailbox for the next quarterly report to arrive. Today, with the help of a Bloomberg terminal and a CPMS stock screening system, my team monitors and ranks over 22,000 companies from around the world with real-time updates."

Although knowledge is power, Moore believes the market's evolution hasn't been entirely positive. "The banks need to be forced to release their oligarchic stranglehold on the investment industry," he says. "They are making too much money recommending passive investments at the investor's expense. The pendulum needs to swing more in favour of the retail investor, where they have more competitive investment advisory alternatives available to them."

# SPECIAL REPORT

## BRIAN KALYN

Executive marketing director
**World Financial Group**

Years as an advisor: 32

With 32 years as a financial advisor under his belt, Brian Kalyn speaks from experience when he discusses how the business has changed over the years – and not always for the better.

"Compliance is necessary; however, it's getting to a point where too much time is required to maintain all the continually changing rules," he says. "Unless there is some deregulation, many advisors are going to leave the industry at a time when too many people are not getting the help and advice they so badly need. The regulators need to focus on stopping the bad guys without crippling the efforts of all the other advisors who are doing great things for families."

Kalyn believes this exodus will accelerate if any ban on commissions comes to pass. "The potential banning of commissions or trail commissions and forcing a fee-based option is going to cause many advisors to leave the industry," he says. "Why can't there be both systems and allow the client and the free market system to determine what's best?"

Rather than increased regulation, Kalyn believes it's in advisors' own interests to lift standards through dedication to self-improvement. He holds CFP, CLU and ChFC designations, and encourages his peers to follow in the same vein. "Continuing education has increased the knowledge of advisors, and therefore the reputation has definitely improved," he says.

In his role with World Financial Group, Kalyn dedicates much of his time to recruiting and training new entrants to the industry with a view to enabling them to one day open their own agency – something he believes is sorely needed in today's wealth management landscape.

"There needs to be more incentive to attract new advisors to offset the average age of current advisors, which is around 59 years old," he says. "Otherwise, there will be even more families left behind."

## ED SCHNURR

President
**Unity Group Financial**

Years as an advisor: 31

Ed Schnurr's route to becoming a financial advisor was a bit unorthodox. "I worked as a meat manager with A&P 30-plus years ago," he says. "I enjoyed working with the people but couldn't stand the unionization of the industry. I had a brother in financial services and thought it might be a good idea."

Schnurr made his start as an advisor with London Life Insurance in 1987. Honing his craft over the next 25 years, he eventually opened his own practice, Schnurr Insurance Consulting. The business subsequently became Unity Group Financial, offering a wider range of financial services to reflect the industry's shift toward more holistic financial planning.

Looking back over the past 30 years, Schnurr says that "the major change I've felt is technology. Obviously, this is huge. The ability to get access to information right away is extremely helpful."

Not so helpful is the increased regulation that goes along with an advisor's job in 2018. "The regulation in recent years has become almost insurmountable," Schnurr says. "I understand the need for security and confidentiality, but it has become ridiculous in some cases. The need for three to four signatures from a client on the same page is redundant."

That doesn't mean he believes compliance is a bad thing, per se. "I believe that the move to transparency is absolutely the right one," Schnurr says. "Anything that can be done for the betterment of the client is typically the right direction. But I've found my client appointments are longer than they have ever been, filling out excessive compliance documents."

Time spent on compliance is time taken away from the actual nuts and bolts of financial planning, but Schnurr has some ideas about how things should change. "The redundancy of paperwork with most major institutions is astounding," he says. "Let's use technology to make everyone's lives better."

# SPECIAL REPORT

## KEN RAE

Chairman and CEO
**The Rae Lipskie Partnership**

Years as an advisor: 54

Among this collection of industry veterans, there are a lot of years of experience. None have had quite the career of Ken Rae, however. The Waterloo-based advisor, now chairman and CEO of the Rae Lipskie Partnership, made his start in the business in 1963 as an investment assistant at Canada Permanent Trust Company in Toronto. From there, he joined the Mutual Life Insurance Company as an investment analyst, relocating to Kitchener-Waterloo.

After serving as investment director with Dominion Life Insurance Company, Rae decided to branch out on his own and set up Advantage Investment Counsel in 1985. That enterprise proved to be a success and was acquired by Michael Lee-Chin in 1987.

Rae's entrepreneurial vigour remained, and in 1988 he founded Kenneth Rae Investment Counsel, which ultimately became Rae and Lipskie Investment Counsel after he forged a partnership with Brian Lipskie. The two men remain at the forefront of the company today, managing approximately $650 million in assets and specializing in investment management for individuals, trusts, estates, foundations and corporations, with offices in both Waterloo and Burlington, Ontario.

A former president of the Portfolio Management Association of Canada [PMAC], Rae is a strong advocate for more regulation of titles in order to ensure greater transparency in the industry. "I think the reputation of financial advisors has been watered down by the admission of a lot of salespeople being allowed to use the titles that are more specific, such as 'investment counsellor' and 'portfolio manager,'" he says.

In Rae's opinion, professional titles should be specific and founded on high educational standards. "The industry could improve its relevance by requiring more education for people who want to be in the investment business," he says. "These titles should reflect their specialty. These would replace the broad titles of 'financial advisor' or 'investment advisor.' These titles are too general, and to me should not be used."

## DAVID LITTLE

Senior advisor
**Little Wealth Management Group**
**HollisWealth, Industrial Alliance Securities**

Years as an advisor: 33

The recipient of the Lifetime Achievement Award at the 2017 Wealth Professional Awards, David Little came into the business when his dream of an NHL career went unfulfilled. He instead channelled his energy into education, obtaining an economics degree at Queen's University before making his start in the advisory business in 1984. There have been some bumps in the road since then, but his dedication to the job has never wavered.

"Failure or quitting was never in the cards, despite many challenging situations," he says. "The embezzlement of commissions – scoundrels who forged my signature and cashed my cheques – left my wife and I in a very challenging financial situation. I persevered and never gave up."

While Little holds the profession of wealth management in high regard and believes the vast majority of his peers have impeccable personal ethics and dedication to their clients, he acknowledges this isn't a narrative one might glean from reading a major newspaper.

"I know some media outlets and government agencies have a dim view of financial advisors," he says. "My understanding of their position is that advisors make far too much money for what they do. Unfortunately, I am not sure either one of these groups has a clue about the day-to-day functioning inside a financial advisory firm and what advisors do for their clients. I know in my own practice, we survey our clients regularly, and our findings confirm that our clients have confidence in our services."

While there aren't many advisors who speak about regulation in glowing terms, Little is willing to admit that the increased compliance headaches have had a positive impact. "Let's face it – we're all much better at our jobs, given the regulators' scrutiny to be better," he says. "Compliance has never been more complex, and that makes us better at our jobs, along with the simple fact that we're mostly seasoned veterans who truly have a passion for doing what is best for our clients."

## CHARLIE SPIRING

Chairman
**Wellington-Altus Private Wealth**

Years as an advisor: 37

Aside from his standing as a veteran financial advisor, Charlie Spiring's entrepreneurial spirit is what really sets him apart. Last year he launched Wellington-Altus Private Wealth, a name that will likely ring a bell with those familiar with Spiring's career. He is perhaps best known as the founder of advisory firm Wellington West, which he eventually sold to National Bank Financial in 2011 for $333 million.

"I became fascinated with preserving capital and creating solid compound returns," Spiring says, reflecting on the firm's early days. "We also saw a big void in capital formation in Manitoba; therefore, at Wellington West, we created a connection between entrepreneurs and capital markets. It allowed a series of companies to grow into multi-billion-dollar corporations, which ultimately attracted the attention of National Bank."

After the acquisition, Spiring joined the institution as a senior advisor, but the lure of running his own shop eventually proved too much, and he launched Wellington-Altus Private Wealth last summer. Now in the process of growing that company, Spiring believes today's advisors are much more comprehensive in their approach than when he started in the business.

"The IIROC firms are substantially more professional, and continuing education is constantly improving investment advisors," he says. "As much as we do not like the pendulum going too far, it has forced us to continually improve. The delegated models allow advisors more time to service families versus picking stocks."

Another plus, in Spiring's view, is the shift toward advisory teams, which allows for a greater level of specialization and enhanced service for clients. "Wealth management firms have raised the bar considerably through the use of the team concept," he says, "incorporating services such as financial planning, estate planning, insurance planning, trust services, taxation advice and portfolio construction, to name just a few."

Now in his 37th year in wealth management, Spiring has no intention of slowing down anytime soon, as the launch of his new firm attests. However, he does hope to see some changes made with a view to increasing efficiency across the industry.

"I would like to see advisor incorporation, common-sense compliance and the continual increase in technology usage as our friend," he says. "If the industry has strong independent voices providing competition to the big banks, we will undoubtedly make it a better place for all consumers."

## JOHN NICOLA

Chairman and CEO
**Nicola Wealth Management**

Years as an advisor: 44

Aside from being a highly accomplished financial advisor with more than four decades of experience, John Nicola has developed quite the reputation as a businessman. Named *Business in Vancouver*'s BC CEO of the Year in 2015 in the small to medium private company category, he was also honoured as Ernst & Young Entrepreneur of the Year in financial and professional services in the Pacific region in 2011. Those accolades recognize his stewardship of Nicola Wealth Management into one of Canada's top advisory firms, with $5 billion in assets under management. Nicola has come a long way from his early days selling insurance for Metropolitan Life – as has the business itself.

"The changes have been legion," he says. "Changes in technology, products, distribution, compensation and the business model are all huge developments. It is a completely different industry today."

In addition to building Nicola Wealth into an advisory powerhouse, Nicola is a founding member of the Conference for Advanced Life Underwriting [CALU], where he is also a past chair. He holds CLU, ChFC and CLP designations, believing education is hugely important for advisors. "It helps when many more advisors have CFP, CIM or CFA designations," he says. "I also find that, based on my own experience, younger advisors are more knowledgeable than my peer group was when we were the same age."

While younger advisors might have more training, Nicola is concerned that there simply aren't enough of them, which he says will have dire consequences in the long run. "Overall, I think the industry has done a poor job in showing younger people what a great career being an advisor can be," he says. "The average age of advisors is far too old, and we need to get serious about recruiting and training up-and-comers."

In that regard, Nicola Wealth Management is leading by example, focusing on a longer development cycle for young advisors and reducing the pressure for them to find new clients. "We want advisors to develop a great combination of technical competency and high EQ," Nicola says. "If we are successful in that, then our advisors will not only perform well, but will be referable and won't need to prospect in a traditional way."

# SPECIAL REPORT

## JOHN HORWOOD

Director, wealth management
**The Horwood Team**
**Richardson GMP**

Years as an advisor: 30

The Horwood name is synonymous with financial advice in Canada. Both John Horwood and his wife, Rebecca, are advisors, as are their daughters, Alexandra and Rosemary. All ply their trade at Richardson GMP, an institution where the family patriarch has a long history. Having previously worked as a chartered accountant in Australia and later in Canada's mining industry, Horwood made his start as an advisor at Richardson Greenshields in 1987. The firm has switched hands several times in the interim, but the Horwood Team has remained a constant.

"It is a case of whether you build versus buy," Horwood says. "My feeling was that we had a stable platform and a strong relationship. You can take the easy money and sell up and go somewhere else, but your clients won't appreciate it, and in the long run, your business won't appreciate it either. So I was much happier to stay."

Today his team is regarded as one of Canada's premier wealth management firms, with a commitment to creating detailed financial plans for its clients. This is standard in the industry today, but that wasn't the case when Horwood made his first steps as a financial advisor.

"When I started in 1987, we were the first firm, and I was the first advisor, to offer financial planning to retail clients," he says. "Before that there was no planning whatsoever, and a typical RSP probably had about five junior gold stocks in it."

Today, Horwood has shifted his focus to reflect the expectations of his clients. Increasingly, that means legacy-building. "Pretty much all of my clients have devolved down to the next generations," he says. "So now I spend my time on philanthropy and on starting new companies and investing in places where we can really change the world."

There's no shortage of opportunities out there, Horwood explains, as today's disruptors can prove quite lucrative. "We have been investing in biotech and healthcare," he says. "There are big opportunities in Canada because there is so little capital and so few entrepreneurs. Canada does great research but doesn't know how to commercialize it."

## DOUG MACDONALD

Founder
**Macdonald Shymko & Company**

Years as an advisor: 45

Another Wealth Professional Awards Lifetime Achievement Award winner, Doug Macdonald was recognized in 2016 for a career spanning more than four decades. One of the founders of Macdonald Shymko & Company, he explains how the firm came into being.

"In 1972, having identified the need for independent, objective, comprehensive advice, I, along with two other individuals, created a firm to provide professional advice on a fee-for-service basis," he says. "This was motivation enough, particularly as most people we sought advice from claimed it would not work."

The naysayers clearly were mistaken – this year, Macdonald Shymko & Company marks its 36th year in business. The industry has changed massively during that period, but Macdonald and his team have been able to move with the times in every respect – particularly in regard to technology.

"The computer, and its evolution as a significant analytical and planning tool, has been a major change," he says. "It provides improved access to information to efficiently work with clients to make more informed decisions."

While technology has changed the game, Macdonald is frustrated by other parts of the business that have proven resistant to progress. "I would advocate for the regulators to establish the legal framework that mandates that all individuals using the term advisor to be legally held to broad-reaching fiduciary standards," he says. "A clear understanding of these fiduciary obligations would allow all advisors to do their job more effectively, garnering greater client trust."