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2017

ADVISORS'
REPORT CARD:

12-page pullout



PAUL LAWRENCE

Al Jones, president of A. Jones Wealth & Estate Planning Inc. in Barrie, Ont., used to help troubled youth as a social worker two decades ago. Now a financial advisor, he helps families and individuals meet the challenges posed by life events such as divorce and death. "The nice thing," he says, "is that I'm still in the same business of problem-solving and helping individuals." (See story on page 26.)

REGULATION

OSC & firms focus on overcharging

More than 250,000 clients have overpaid on fees

BY JAMES LANGTON

A SERIES OF SETTLEMENTS between regulators and firms affiliated with all of the Big Five banks reveals that hundreds of thousands of clients collectively were overcharged tens of millions of dollars. Ironically, financial advisors at one of the firms were among the first to uncover the issue, touching off reviews

throughout the investment industry, which are ongoing.

The revelation of systematic overcharging among some of the industry's biggest firms has all come to light through the Ontario Securities Commission's (OSC) relatively new "no contest" settlement procedure, which allows firms to resolve enforcement cases without admitting liability.

In late June, Toronto-based Royal Bank of Canada was the last of the Big Five banks to settle such a case. Then, Toronto-based insurance giant Manulife Financial Corp. reached a similar

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REPORT CARD

Decisive support

BY JAMES LANGTON

ALTHOUGH SECURITIES REGULATORS are divided on whether the investment industry should adopt a "best interest" standard as proposed by the Canadian Securities Administrators (CSA) and financial services firms largely have come out against such a standard, financial advisors appear to support the idea decisively.

In this year's Report Card series, *Investment Executive (IE)* asked advisors in each of the major dis-

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INSURANCE

Incentives in peril?

BY MEGAN HARMAN

THE SALES COMMISSIONS, bonuses and other incentives that insurance advisors receive are coming under scrutiny. Regulators have begun to express concerns about the conflicts of interest that these sales incentives can create. In response, some advisors are apprehensive about what that will mean for their paycheques.

"[The possibility of doing away with such incentives] is of con-

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From troubled youth to clients

Al Jones used to work on a government farm teaching life skills to kids with big problems. Now, he's a financial advisor who advises clients on financial planning, insurance and investments — and the change in careers is not that big a stretch

BY WENDY CUTHBERT

AL JONES THE SOCIAL WORKER USED to help inner-city youth meet the challenges of living and working on a farm that's part of a treatment facility designed to help troubled kids find their path. Al Jones the financial advisor now helps families and individuals meet the challenges posed by life events, including divorce and death.

And if not for the threat of a long commute, this dramatic career change might never have occurred.

Jones says his social work was intensely satisfying. Living and working with kids who had been expelled from school, he tried to instill the importance of creativity and commitment to solving problems. But he found it necessary to make a change when the program was altered in a way that would have forced him to travel daily between his home in Barrie, Ont., and downtown Toronto — a three-hour commute.

So, partly as a result of a recruitment seminar by London, Ont.-based London Life Insurance Co. in 1996, Jones made the leap to becoming a financial advisor. But while that shift sounds dramatic, he points out that helping clients choose insurance and investment products includes helping them negotiate life challenges.

"When you're working with hard-to-serve youth or families, you're trying to identify what their goals are and you try to work creatively with them to create solutions," Jones says. "The nice thing is that I'm still in the same business of problem-solving and helping individuals."

Jones, 56, is president of **A. Jones Wealth & Estate Planning Inc.**, a Barrie-based independent insurance and investment practice aligned with Freedom 55 Financial, itself a subsidiary of London Life. He earned his certified financial planner's designation in 2002 and his chartered life underwriter in 2004.

Jones's roster, which consists of about 600 clients, continues to grow — mainly by referral, as clients refer friends and acquaintances who often are experiencing life-changing events, such as divorce, inheritances and layoffs. Jones takes time with each prospect during the initial interview, typically spending well over an hour discussing his or her situation.

Jones then asks these prospects to go home and think about whether they can commit to his advice; he compares this approach to his work with troubled youth. Only when prospects have agreed to Jones' approach will he begin drawing up a financial plan, which can include both insurance and investments. His book of business comprises about 30% insurance products and 70% investments (segregated funds and mutual funds).

Jones relies entirely on commissions, but says that the level of service he provides generally exceeds client expectations. That service includes meeting with clients at least twice a year — and more often if clients require further guidance. This frequency of contact is supplemented with regular outreach to clients, mainly on the phone, and by taking note of special occasions.

Jones also hosts events with speakers that target the needs of specific groups of clients: for example, a recent seniors'



PAUL LAWRENCE

Al Jones, who has his own practice in Barrie, Ont., under the Freedom 55 banner, volunteers widely in his community and is active in Advocis. After many years in the business, he now asks new clients to make sure they can commit to his approach.

event during which a speaker shared information about the rules relating to estate beneficiaries.

When it comes to helping clients through life events, Jones has observed — like many advisors — that divorce can be highly destructive, both emotionally and

A self-described "people connector," Jones's business has grown strongly through referrals

financially. So, about five years ago, he became involved with Collaborative Practice Simcoe County, a group of professionals who help separating couples use mediation to resolve issues such as child and spousal support, division of assets and other problems relating to family breakdown without the need for a court application. These meetings consist of two lawyers, one for each party, and two "neutrals" — a social worker and a financial services professional — who help the couple navigate their next moves.

Being involved in the local community helps Jones both build his practice and continue with the activities he has always enjoyed. He loves to cook and has hosted

several "bake-offs" with clients. In fact, recipes are posted on his website.

Jones is serving his first year as treasurer and second year as trustee for the Institute for Advanced Financial Education. Somchow, he also finds time to volunteer with the Grey & Simcoe Foresters and serve as chairman of the Vaughn, Ont.-based PACE Credit Union. (He holds the accredited credit union director's designation conferred by Dalhousie University). To free up more time, he has begun the process of delegating parts of his practice to others so that he can refocus his efforts in other directions. Jones recently hired a junior advisor in order to spend more time on his top clients.

Jones's gift for empathy goes back a long way. As a child, he attended a summer camp every year that was geared toward low-income kids. It was an experience, he says, that was life-changing and which helped him develop his skill for connecting with many kinds of people.

Jones remained involved with the camp for almost two decades, graduating to counsellor and, eventually, director. Jones met his wife, Sue, at the camp when they both were counsellors there. Partly as a result of Jones' connection with nature, he chose to study outdoor therapeutic recreation at Humber College and the University of Waterloo. He also played football through high school and college.

That's not to say life always has been smooth sailing for Jones. As a large black man with an athletic bearing — he stands over six feet tall — Jones says he's always had to be conscious of how he presents himself

when visiting clients and prospects. He is aware that his name provides no clues to his race and he often catches people by surprise at a first meeting. In one instance, a young black woman greeted him at the door, surprised to see that her preconceived notion of what an insurance salesman named "Al Jones" might look like was inaccurate.

People bring their own perceptions to the table when dealing with race, Jones says, and it can be an advantage or a disadvantage, depending on whom he's dealing with. For example, new Canadians are often very welcoming, while some members of "old money" circles in Barrie still struggle with prejudice. "People [can be] stuck in their ways," Jones says.

But Jones is a self-described "people connector," as likely to know a good plumber as the right lawyer to do a client's will. So, it's not surprising that his business has grown mainly through referrals.

To thank these clients, Jones holds an annual dinner event. This past year, the event featured Greg Pollock, president and CEO of the **Financial Advisors Association of Canada** (a.k.a. Advocis), who discussed the second phase of the client relationship model (CRM2) and what it means for advisors and their clients. Jones has long been involved with Advocis and is currently a board member.

Although Jones still has the ear of a talented social worker, he has managed to drop some of the convictions of his former career. For example, he used to refuse to give up on clients when they struggled with committing to a plan. Those days are over.

"Now, I'm better able to discern those who aren't willing to commit," Jones says. "At some point, you have to say, 'This [client] isn't in your best interest.'" **IE**