

CONFIDENTIAL

INDEPENDENT FINANCIAL BROKERS OF CANADA

**Annual General Meeting of Members
Dec. 18, 2020**

The Annual General Meeting of Members of Independent Financial Brokers of Canada was held via GotoWebinar.

Present:

Scott Findlay
Glenn Freeland
Som Houmphanh
Sheldon Stier
Elizabeth Macdonald
Dan Steinkey
Marie Jose Comtois

And, by invitation:

Nancy Allan, Executive Director
Susan Allemang, Director, Policy and Regulatory Affairs

1.0 Call to Order and Welcome of Members.

The Chairman called the meeting to order at 12 p.m. Eastern time.

Mr. Findlay stated that the Annual General Meeting was being held virtually due to the pandemic. He said that Innovation, Science and Economic Development Canada, the agency that has oversight of the federal Not-for-Profit Corporations Act, allowed organizations like IFB the opportunity to apply for an exemption under sub-section 160(2) of the Act so that the Annual Meeting could be postponed until later in the year.

IFB applied for and was granted this exemption, and at that time we hoped that members would be able to meet in person by the Fall. As the year progressed, it became clear that this was not going to be possible.

Mr. Findlay briefly explained how the making of motions and voting will be handled for the meeting.

2.0 Agenda

The Chairman called for a motion to accept the Agenda for the meeting.

Approval of Agenda:

- **Motion:** Glenn Freeland made a motion to accept the Agenda for the meeting; seconded by Sheldon Stier

- **Vote:** All in favour
- **Resolved:** Motion carried

3.0 **Review and Approval of the Minutes of the Annual General Meeting, August 14, 2019**

The Minutes of the August 14, 2019 AGM were made available on the association’s website and distributed by email prior to today’s meeting. The Chairman called for a motion to approve the minutes of the Aug. 14, 2019 AGM.

Once the motion was on the floor, the Chairman asked if there were questions, comments, errors, or omissions relating to the Minutes of the 2019 AGM. None were heard.

Approval of the Minutes of the Annual General Meeting, August 14, 2019:

- **Motion:** Sheldon Stier made a motion to accept the Minutes of the AGM held Aug. 14, 2019; seconded by Dan Steinkey.
- **Vote:** All in favour
- **Resolved:** Motion carried

4.0 **Chairman’s Report – Scott Findlay**

Mr. Findlay note that 2020 marked IFB’s 35th anniversary as the voice of the independent financial advisor in Canada, and that it has been challenging time, but ultimately a story of strength and resilience. He said that he welcomed the opportunity to report on the activities of IFB’s Board of Directors.

He noted that a couple of years ago IFB made the decision to reduce the overall size of the Board and to eliminate the Executive Committee as a standing committee of the Board. Doing this allowed IFB to create a cohesive working Board that is made up of 7 members from across the country.

IFB engaged a Board trainer to help board members understand their role within a governance body. Board and staff developed a 3-year strategic plan to provide a roadmap for the association and stand poised to meet early next year to plot out our strategic plan for 2021 – 2023.

Mr. Findlay said that this had made them a better board, and a board of equals.

He stated that the Board meets regularly – as frequently as once a month – and they discuss, deliberate, and provide a forum for a diverse group of people who share a common goal: to be the best association possible for members.

As a policy-making board, the IFB Board acts as a sounding board for our Executive Director and her staff, who carry out the operations of the association.

Mr. Findlay said that this focus on board development is paying off. Today, IFB has a Board member sitting on the Saskatchewan Insurance Council Board. There are Board members on two of the Financial Services Regulatory Authority’s technical advisory committees on segregated funds and MGAs, respectively. And an IFB Board member serving on the working group tackling the pressing issue of orphan clients.

Mr. Findlay stressed that all Board members are IFB members first. When they have a seat at the table, they aren't just speaking for IFB members; they are IFB members.

Mr. Findlay closed by thanking his fellow Board members for their work over the past year and expressed his view that the future for IFB is bright.

Approval of Chairman's Report:

- **Motion:** Som Houmphanh made a motion to approve the Chairman's; seconded by Elizabeth Macdonald
- **Vote:** All in favour
- **Resolved:** Motion carried

5.0 Executive Director's Report – Nancy Allan

Ms. Allan remarked on the unusual circumstances that led to this meeting being held so late in the year. She noted that, despite the challenges of the past year, she is entering the new year feeling optimistic and hopeful. The ability that IFB has to pivot quickly when obstacles and opportunities present themselves is its greatest asset and was key in surviving and thriving in 2020.

Ms. Allan said that the association started out the year with big plans to celebrate its 35th anniversary at Summits in Toronto, Calgary and Vancouver, and regional events in Winnipeg and Saskatoon. A plan was in motion to move the Toronto Summit to a new home at the Pearson Convention Centre, a facility that provides high quality at a much lower price point.

Through a new partnership with Chartwell Retirement Residences, IFB had plans to start rolling at a series of meetings for financial advisors to help connect them with current and prospective Chartwell residents looking for financial advice.

Those plans were altered on March 13, 2020, and by early April, it was clear that this situation wasn't going to end soon enough to hold in-person Summits in Calgary and Toronto, and the events scheduled for Winnipeg and Vancouver were postponed until the Fall.

IFB pivoted by moving a half day workshop planned for April 3 to a virtual format. It introduced a weekly webinar series in April and May – 6 webinars in total. In the space of 8 weeks, staff planned and executed IFB's first-ever Virtual Summit and supplemented it with 9 online courses so that members could get all the CE they needed.

Most recently, IFB held its first 2-day Virtual Summit on November 3 & 4 with attendance of over 500 licensed financial advisors. And to cap off the year, a series of 4 webinars providing 6 hours of free CE was held to thank IFB members for their loyalty and support throughout this challenging year.

At the same time, IFB was fully engaged in regulatory matters. Ms. Allan stated that Susan Allemang, Director of Policy and Regulatory Affairs, has been tireless in her work responding to 10 separate consultation papers on topics ranging from New Brunswick's proposed incidental selling of insurance licensing regime to the FSRA proposed rule and guidance on the Financial Planner/Financial Advisor title restriction framework.

IFB has been an active participant on the FSRA Life and Health Stakeholder Advisory Committee, as well as its technical advisory committee on MGAs and the technical advisory committee on segregated funds.

The association have met frequently with the G4 – a group consisting of IFB, CLHIA, CAILBA and Advocis – and sit on its Advisor Oversight, Fair Treatment of Customers, and the CREAS committee looking at issues with orphan policies in the life insurance industry.

On a quarterly basis, IFB has met alongside our colleagues at CAILBA and Advocis, with the Canadian Council of Insurance Regulators, and has attended the CSA stakeholder meetings to discuss a possible merger of the securities SROs.

Members have regularly been kept informed of the regulatory landscape with regular Regulatory Updates throughout the year.

One of the goals that was set out in the last Strategic Plan was to enhance IFB's standing with the regulatory bodies, and Ms. Allan stated confidently that this goal has been attained. IFB is not only at the table but is viewed as the go-to resource when issues arise that impact independent financial advisors.

Although there was a substantial revenue drop in the first half of the year, by September revenue had stabilized, and Ms. Allan noted that the association will end the year in a good position. IFB can move forward to 2021 feeling hopeful and prepared to use the lessons we've learned through this pandemic time to be stronger and even more adaptable in future.

One new member benefit for 2021, which was announced at the webinar on Wednesday with Dr. Amy D'Aprix. Her program for financial advisors – *The Trusted Advisor of Choice* – will be available to members at a 25% discount, plus an additional \$500 discount for those who register before the end of this year.

Another new member benefit launches early in the new year that will provide members with access to a robust suite of cyber security tools at a very affordable price.

Ms. Allan reported that the association will continue to offer web-series throughout 2021, will add more content to IFB Academy, and is planning for two 2-day Virtual Summits in the Spring and Fall of 2021.

She added that the regulatory consultations for 2021 are already coming in, and IFB will remain an active and vocal advocate for independent advisors. You can be sure of that.

She concluded by saying that, as soon as it's safe to do so, IFB will be back with live events that are better than ever.

Approval of Executive Director's Report:

- **Motion:** Glenn Freeland made a motion to approve the Executive Director's Report; seconded by Som Houmphanh.
- **Vote:** All in favour
- **Resolved:** Motion carried

6.0 Treasurer's Report – Glenn Freeland

6.1 Presentation of the 2019 Financial Statements

Mr. Freeland presented the audited financial statement for the fiscal year ending Dec. 31, 2019. He noted that this was a review engagement undertaken by Bateman Mackay LLP.

The letter that accompanies the financial statement reports this conclusion:

“Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Independent Financial Brokers of Canada as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations.”

The *Statement of Financial Position* reflects the cash position of the association at year-end. The *Statement of Revenues and Expenditures* reflects a slight decline in revenue from memberships, and a more substantial reduction from Summits and Events. This is due largely to greater competition in the continuing education space, and a trend among the sponsoring companies to reduce or eliminate marketing budgets for events aimed at financial advisors.

When looking at the Expenses, Mr. Freeland pointed out that staff anticipated this shift and worked diligently to reduce expenses substantially – in the case of Summits, by nearly \$100,000. This allowed us to end the year with a small loss – in effect, a break-even year.

This is illustrated in the *Statement of Cash Flows*. Mr. Freeland noted that ‘deferred revenues’ in this statement relate to membership dues paid in 2019 for 2020 memberships. The deferred lease inducement relates to the association’s leased office space. The association is currently in the 6th year of a 10-year lease.

Overall, cash at the end of the year was lower than the previous period, however, Mr. Freeland noted that the overall financial picture is good.

In the notes to the financial statement, the auditors note that the association’s credit risk is nil, and that there have been no changes to the credit or liquidity risk as compared to the previous statement.

6.2 Approval of the 2019 Financial Statements

Approval of the 2019 Financial Statements:

- **Motion:** Marie Jose Comtois made a motion to approve the financial statements to 31Dec19; seconded Sheldon Stier.
- **Vote:** All in favour
- **Resolved:** Motion carried

6.3 Appointment of Auditors for fiscal year 2020

Mr. Freeland’s final piece of business was to recommend the appointment of auditors for the fiscal year ending December 31, 2020. He noted that it is the view of the Board of Directors that

Bateman MacKay LLP be reappointed. They have served the association well, and are familiar with the association's operations, management, and accounting procedures.

Appointment of Auditors:

- **Motion:** Glenn Freeland made a motion to reappoint Bateman Mackay LLP as auditors for the fiscal year ending Dec. 31, 2020; seconded by Dan Steinkey.
- **Vote:** All in favour
- **Resolved:** Motion carried

Acceptance of the Treasurer's Report:

- **Motion:** Elizabeth Macdonald made a motion to approve the report of the Treasurer; seconded Sheldon Stier.
- **Vote:** All in favour
- **Resolved:** Motion carried

7.0 **Report of the Nominating Committee – Marie Jose Comtois**

Ms. Comtois stated that the Nominating Committee is a standing committee of the IFB Board of Directors and is charged with filling any vacancies that arise on the Board of Directors. The IFB board is comprised of 7 directors from across Canada, recruited from within the IFB membership ranks. Typically, Board members serve a three-year term of office, and are eligible to serve up to 3 consecutive terms of office.

Ms. Comtois reported that there is one vacancy on the IFB Board of Directors, and one candidate for the position who is an incumbent to the board. Sheldon Stier joined the IFB Board in 2017 and has most recently served as Vice-Chair. In addition, Sheldon represents IFB on the CREAS committee which is made up of representatives of the "G4" – IFB, CLHIA, CAILBA and Advocis – and is looking for possible solutions to the issue of orphan clients and the servicing of existing clients, which has been identified as a barrier to the fair treatment of customers that involves all intermediaries in the life insurance industry. Most recently, Sheldon also joined the Financial Services Regulatory Authority in Ontario Technical Advisory Committee on issues in the MGA channel.

7.1 **Director Elections**

Seeing as there is one vacancy and one candidate, Ms. Comtois made a motion to elect Mr. Stier to the Board by acclamation.

Election of Director:

- **Motion:** Marie Jose Comtois made a motion elect Sheldon Stier to a three-year term on the IFB Board of Directors by acclamation; seconded by Dan Steinkey.
- **Vote:** All in favour
- **Resolved:** Motion carried

Ms. Comtois congratulated Mr. Stier on his election and concluded her report.

Acceptance of Nominating Committee Report:

- **Motion:** Glenn Freeland made a motion accept the report of the Nominating Committee; seconded by Som Houthphanh.
- **Vote:** All in favour
- **Resolved:** Motion carried

8.0 **Termination of Meeting**

The business of the 2020 Annual General Meeting of Members was concluded at 1 p.m. ET and the meeting was adjourned.