

REPORT ON DISCIPLINARY ACTION

Details of Hearing: David Claude Bugden (New Glasgow, NS)

On September 27, 2019, an FP Canada Standards Council™ Discipline Hearing Panel found that David Claude Bugden had breached the CFP® *Code of Ethics and Rules of Conduct* and on January 9, 2020 ordered, among other penalties, that Mr. Bugden be barred from seeking renewal or reinstatement of certification with FP Canada™ for a period of three months ending on 9 April 2020.

Background

Mr. Bugden was certified by the Financial Planning Standards Council®, now FP Canada, as a CERTIFIED FINANCIAL PLANNER® professional in January 2003 and remained certified until March 31, 2017, when his certification lapsed due to non-renewal. Mr. Bugden does not have a prior discipline history with FP Canada.

In completing his annual renewal application form and applying for continued CFP® certification for 2016/2017, Mr. Bugden reported that he was under investigation by a national self-regulatory organization.

Mr. Bugden was employed as Registered Representative with Scotia Capital Inc. (Scotia), from 1999 to July 2017. Whilst employed at Scotia, Mr. Bugden was subject to an investigation by Investment Industry Regulatory Organization (IIROC) for three unrelated matters involving three unrelated clients. In a public settlement agreement with IIROC staff, Mr. Bugden admitted, among other things, that he made unsuitable recommendations and approved account documentation prepared by his partner without meeting the clients. The IIROC Hearing Panel ordered, among other penalties, fines totalling \$40,000 and close supervision for one year.

Applicable Standard

The underlying conduct took place between January 2010 and December 2014. Accordingly, his conduct was governed by the:

- *Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered candidates*, in force from November 2011 to February 2014
- *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning*, in force from March 2014 to September 2014
- *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning*, in force in October 2014
- *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificant in Financial Planning*, in force from November 2014 to May 2015

FP Canada Standards Council Hearing Panel Decision

The Hearing Panel considered written submissions from the Standards Council and Mr. Bugden and released its decision on October 23, 2019.

In accordance with Article 7.2 of the FP Canada Standards Council *Disciplinary Rules and Procedures*, the Hearing Panel determined that Mr. Bugden engaged in professional misconduct by:

- Making recommendations and implementing strategies that were inappropriate given the clients circumstances and did not obtain written instructions to implement these strategies thereby violating Rules 16 and 17 of the 2011 to 2015 *Rules of Conduct*;
- Failing to render services in a professional manner and failing to act diligently when providing financial planning services thereby violating Principle 7 of the 2005 to 2011 *Code of Ethics and Principle 7 of the 2011 to 2014 Rules of Conduct*; and
- Failing to perform financial planning in accordance with applicable laws thereby violating Rule 607 of the 2005 and 2010 *Code of Ethics* and Rule 18 of the 2011-2017 *Rules of Conduct*.

On January 9, 2020, the Hearing Panel ordered that:

- a. Mr. Bugden be banned from seeking renewal or reinstatement of CFP certification or any other certification with FP Canada for a period of three months commencing 9 April 2020;
- b. Mr. Bugden is banned from using the CFP certification marks until such time as his certification is renewed and in good standing;
- c. Prior to renewing his certification, Mr. Bugden shall complete the annual 25 hours of Continuing Education (CE) activities required of every CFP professional for the year 2019 and any additional years where his certification is lapsed;
- d. In addition to the CE detailed in the paragraph c. above, Mr. Bugden shall, at his own expense, successfully complete the FP Canada Introduction to Professional Ethics (IPE) program prior to any application for reinstatement of his CFP certification;
- e. Mr. Bugden shall provide proof of successful completion of his 25 hours of CE for 2019 and any subsequent years where his certification is lapsed, to the Standards Council as a pre-condition to renewal of his certification or reinstatement;
- f. Mr. Bugden shall pay costs to FP Canada in the amount of \$3,150.00, which are due to FP Canada within 60 days of the date the Order is signed;

- g. Mr. Bugden shall not be reinstated until such time as the IPE program mentioned in term d. above has been successfully completed and the costs mention in term f. of the Order have been paid.