



## CASE 1

**Code Provisions: FPSC® Code of Ethics: Principles 2 and 8  
FPSC® Rules of Conduct: Rule 2, 12 and 18**

### **Background:**

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional following a review of a financial industry regulator's news release reporting a finding of misconduct.

The CFP® professional admitted that between January 2013 and August 2014, he:

- Obtained, maintained and in some instances used to process, 52 blank pre-signed account forms in respect of 10 clients;
- Altered and processed 5 client account forms in respect of 5 clients by using liquid correction fluid to change information on the account forms; and
- Reviewed and approved 54 blank pre-signed account forms while acting in a supervisory capacity.

FPSC's investigation did not reveal any evidence that the CFP professional engaged in or associated with conduct that involved dishonesty, fraud, deceit or misrepresentation, or knowingly made a false or misleading statement to clients. There was no evidence of client harm. Further, there was no evidence that any of the transactions were processed without the clients' authorization and knowledge. No client complaints relating to the allegations were received by FPSC.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel ("CRP") directed that the matter be closed on the basis of a Letter of Guidance and Advice. The CRP reminded the CFP professional of his professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics, and Rules 2, 12 and 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 2:** 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.
- **Rule 12:** A CFP professional shall provide reasonable and prudent professional supervision of any subordinate or third party to whom the CFP professional assigns any work. A CFP professional shall provide reasonable and prudent professional supervision of any individual whose work is subject to review or oversight by him/her as a CFP professional.
- **Rule 18:** 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.

## CASE 2

---

**Code Provisions:** FPSC® Code of Ethics: Principles 2 and 8

FPSC® Rules of Conduct: Rule 2, 12 and 18

### **Background:**

FPSC commenced an investigation into the conduct of the FPSC Level 1® Certificant in Financial Planning, following a review of a financial industry regulator's report, further to a finding of misconduct.

The FPSC Level 1 certificant admitted that in October 2011, she altered a Know-Your-Client ("KYC") form for one (1) client by altering the client signature date without having the client initial the alteration. Additionally, between May 8, 2012 and September 2, 2014, the FPSC Level 1 certificant, or her assistant for whom she was responsible for, obtained, possessed and used to process transactions, for 29 pre-signed account forms in respect of 20 clients.

FPSC's investigation did not reveal any evidence that the FPSC Level 1 certificant engaged in or associated with conduct that involved dishonesty, fraud, deceit or misrepresentation, or knowingly made a false or misleading statement to clients. There were no allegations or evidence that she falsified any client signatures or initials on any of the forms. The investigation revealed that the forms were used for the purposes authorized by the clients. There was no evidence of client harm.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel (the "Panel") directed that the matter be closed based on a Letter of Guidance and Advice. The Panel reminded the FPSC Level 1 certificant of her professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics, and Rules 2, 12 and 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional / FPSC Level 1 certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional / FPSC Level 1 certificant shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 2:** A CFP professional / FPSC Level 1 certificant 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.
- **Rule 12:** A CFP professional / FPSC Level 1 certificant shall provide reasonable and prudent professional supervision of any subordinate or third party to whom the CFP professional assigns any work. A CFP professional shall provide reasonable and prudent professional supervision of any individual whose work is subject to review or oversight by him/her as a CFP professional.
- **Rule 18:** A CFP professional / FPSC Level 1 certificant shall perform financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.

## CASE 3

---

**Code Provisions:** CFP® Code of Ethics: Principles 3 and 7 and Rules 607, 702 and 703

### **Background:**

FPSC commenced an investigation into the conduct of the CFP professional, following a self-report by the CFP professional of a financial services regulator's decision and finding of misconduct.

The CFP professional was found to have recommended an insurance product to clients without fully understanding the product and, as a result, providing inaccurate and misleading information to his clients. The misconduct occurred in 2008.

During the investigation, the CFP professional voluntarily resigned from practice.

FPSC's investigation revealed that the concerns raised by the self-report, were isolated to one instance and did not represent a pattern of misconduct or give rise to an ongoing risk to the public.

### **Conduct Review Panel's Decision:**

FPSC's Conduct Review Panel (the "Panel") directed that the matter be closed with a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principles 3 and 7 and Rules 607, 702 and 703 of the CFP® Code of Ethics, April 2005, which provide:

- **Principle 3 - Competence:** A CFP professional shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which the CFP professional is engaged.
- **Principle 7 - Diligence:** A CFP professional shall act diligently in providing financial planning.
- **Rule 607:** A CFP professional shall perform financial planning in accordance with applicable laws, rules, regulations and established policies of governmental agencies or other applicable authorities including FPSC.
- **Rule 702:** A CFP professional shall make and/or implement only those recommendations that are suitable for the client.
- **Rule 703:** Consistent with the nature and scope of the engagement, a CFP professional shall carry out a reasonable investigation regarding the financial products recommended to clients. Such investigation may be made by the CFP professional or by others provided the CFP professional acts reasonably in relaying upon such investigation.

## CASE 4

---

**Code Provisions:** FPSC® Code of Ethics: Principles 2 and 8  
FPSC® Rules of Conduct: Rule 2

### **Background:**

When applying to renew their certification for 2017/2018, the CFP professional self-reported pleading guilty to one (1) count of common assault under section 266 of the *Criminal Code of Canada*.

Pleading guilty to a criminal offence triggers a presumptive bar to new or continued certification with FPSC under the FPSC® Fitness Standards. The Presumptive Bar to certification, may only be displaced following a successful Request for Reconsideration by the CFP professional that the Presumptive Bar not apply given the particular circumstances.

### **Conduct Review Panel's Decision:**

FPSC's Conduct Review Panel (the "Panel") considered the circumstances and mitigating factors identified in the CFP professional's Request for Reconsideration including that the incident took place in a private context, did not involve clients or colleagues and was the result of an emotionally charged circumstance. The Panel also considered evidence that the CFP professional was remorseful and was engaging in anger management courses. Finally, the Panel considered whether the broader public interest may have been affected by the CFP professional's actions.

The Panel considers a guilty plea to criminal charge to be serious matter noting that engaging in a criminal offence may reflect negatively on a professional's integrity and fitness. In this instance; however, the Panel determined that the mitigating factors raised in the Request for Reconsideration supported a decision to allow the CFP professional's continued certification by FPSC. The Panel determined that it was appropriate and in the public interest to issue a Letter of Guidance and Advice reminding the CFP professional of his professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics and Rule 2 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional / FPSC Level 1 certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 2:** A CFP professional / FPSC Level 1 certificant 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.

## CASE 5

---

**Code Provisions:** FPSC® Code of Ethics: Principles 2 and 8  
FPSC® Rules of Conduct: Rule 2, 12 and 18

### **Background:**

FPSC commenced an investigation into the conduct of the CFP professional following a review of a financial industry regulator's News Release, which reported findings of misconduct.

The CFP professional admitted that between May 2008 and May 2015, he, or his assistant for whom he was responsible:

- Altered and used to process transactions, 6 account forms in respect of 5 clients by altering information on the account forms without client initials; and
- Obtained, possessed, and in some cases used to process, 40 pre-signed account forms in respect of 24 clients.

The CFP professional self-reported the events to FPSC in his recent annual application renewal form, as required by FPSC.

FPSC's investigation did not reveal any evidence that the CFP professional engaged in or associated with conduct that involved dishonesty, fraud, deceit or misrepresentation, or knowingly made a false or misleading statement to clients. There was no evidence of client harm. Further, there was no evidence that any of the transactions were processed without the clients' authorization and knowledge.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel (the "Panel") directed that the matter be closed on the basis of a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics, and Rules 2, 12 and 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 2:** 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.
- **Rule 12:** A CFP professional shall provide reasonable and prudent professional supervision of any subordinate or third party to whom the CFP professional assigns any work. A CFP professional shall provide reasonable and prudent professional supervision of any individual whose work is subject to review or oversight by him/her as a CFP professional.
- **Rule 18:** A CFP professional performs financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.

## CASE 6

---

**Code Provisions:** FPSC® Code of Ethics: Principles 2 and 8  
FPSC® Rules of Conduct: Rule 1, 2 and 18

### **Background:**

FPSC commenced an investigation into the conduct of the CFP professional following a review of a financial industry regulator's News Release, which reported findings of misconduct.

The CFP professional admitted that in May 2014, he falsified two client signatures on two Know-Your-Client forms.

FPSC's review identified that this was an isolated incident involving one transaction. The CFP professional was attempting to act in the best interests of the clients when he delayed processing a transaction in order to provide full disclosure of the associated transaction fees. Once advised of the fees, the clients provided instructions to proceed with an alternate transaction. In processing the second transaction, the CFP professional identified that the required forms had not been signed by the clients. Rather than contact the clients out of fear of the clients' reaction to further delays, the CFP professional exercised poor judgement and acted in violation of FPSC's Standards of Professional Responsibility. The clients were aware of and subsequently ratified the transactions. There was no client harm related to the misconduct and no evidence of continuing misconduct or ongoing risk to other clients.

The CFP professional self-reported the events to FPSC in his annual application renewal form, as required by FPSC.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel (the "Panel") was concerned with the seriousness of the offense, but given a number of extenuating circumstances and mitigating factors present in this case, the Panel determined that it was appropriate to close this matter based on a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics, and Rules 1, 2 and 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 1:** A CFP professional shall not engage in or associate with conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
- **Rule 2:** 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.
- **Rule 18:** 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.

## CASE 7

---

**Code Provisions:** CFP® Code of Ethics: Principle 4 and Rules 401(d) and 403(a)  
Standards of Professional Responsibility: Principle 5 and Rules 8, 10 and 18

### Background:

FPSC commenced an investigation into the conduct of the CFP professional following receipt of a public complaint. The complaint included the following allegations:

- CFP professional knew or ought to have known that monies were being misappropriated by the client's personal authorized representative, and failed to alert the client, thereby failing to act in the client's best interest;
- CFP professional acted in a conflict of interest by engaging in personal financial dealings (a personal investment) with the personal authorized representative.

The investigation revealed that the CFP professional while acting as investment advisor for a charitable organization, failed to disclose, in writing, his personal investment in the authorized representatives personal project.

### Conduct Review Panel's Decision:

The Conduct Review Panel (the "Panel") directed that the matter be closed on the basis of a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principle 4 and Rules 401(d) and 403(a) of the CFP® Code of Ethics, and Principle 5 and Rules 8, 10, and 18 of the Standards of Professional Responsibility, which provide:

- **Principle 4 - Fairness:** A CFP professional shall perform financial planning in a manner that is fair and reasonable to clients, principles, partners, and employers and shall disclose conflicts of interest in providing such services.
- **Rule 401(d):** CFP professional shall make timely written disclosure of all material and information relative to the professional relationship. Written disclosures that include the following information are considered to be in compliance with this Rule: (...) d) A statement identifying any conflicts of interest.
- **Rule 403(a):** A CFP professional shall inform the client of changes in circumstances and material information that arise subsequent to the original engagement that may have an impact on the professional relationship or services to be rendered. Such changes include, but are not limited to: (a) Conflicts of interest; (...).
- **Principle 5 - Fairness:** A CFP professional shall be fair and open in all professional relationships.
- **Rule 8:** When the services include financial planning or material elements of the financial planning process, a CFP professional shall disclose the following information in writing to the client: (...); (b) A general summary of likely conflicts of interest between the client and the CFP professional, the CFP professional's employer, or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the CFP professional or the CFP professional's employer that has a potential to materially affect the relationship with the client; (c) Any information about the CFP professional or the CFP professional's employer that could reasonably be expected to materially affect the client's decision to engage the CFP professional.
- **Rule 10:** A CFP professional shall take all reasonable steps to ensure that the client is informed of material changes in circumstances that arise subsequent to the original engagement that may have an impact on the professional relationship or services to be rendered. Such changes may include, but are not limited to: (a) Conflicts of interest; (b) The CFP professional's business affiliation; (c) and Compensation structures affecting the professional services to be rendered; and (d) New or changed agency relationships.
- **Rule 18:** 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.

## CASE 8

---

**Code Provisions:**    **FPSC® Code of Ethics: Principles 2 and 8**  
                                  **FPSC® Rules of Conduct: Rule 1, 2 and 18**

### **Background:**

When applying to renew certification for 2016/2017, the CFP professional self-reported to FPSC, as required, that he was the subject of an internal investigation by his firm. The CFP professional subsequently disclosed the same concerns were being investigated by another financial industry regulator.

The CFP professional admitted that, in September 2015: he falsified a client's signature on one form, and he misled his employer during its internal investigation, by falsely representing that the client signed the form.

FPSC's review revealed that this was an isolated incident involving one transaction. The CFP professional acknowledged that he exercised poor judgment in forging the client's signature on an addendum when he was unable to reach the client. The client subsequently ratified the transaction. There was no client harm related to the misconduct, the client had signed all other documents relating to the transaction, and there is no evidence of continuing misconduct or ongoing client risk.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel (the "Panel") was concerned with the seriousness of the offense. In determining that it was appropriate to close this matter on the basis of a Letter of Guidance and Advice, the Panel took a number of extenuating circumstances and mitigating factors into consideration.

The Panel reminded the CFP professional of his professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics, and Rules 1, 2 and 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional / FPSC Level 1 certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional / FPSC Level 1 certificant shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 1:** A CFP professional shall not engage in or associate with conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
- **Rule 2:** A CFP professional / FPSC Level 1 certificant 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.
- **Rule 18:** A CFP professional / FPSC Level 1 certificant shall perform financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.



## CASE 9

---

**Code Provisions:** CFP® Code of Ethics: Principles 2 and 8; Rules 601, and 607  
FPSC® Rules of Conduct: Rule 2, 12 and 18

### **Background:**

FPSC commenced an investigation into the conduct of the CFP professional following a review of a financial industry regulator's News Release, which reported findings of misconduct.

The CFP professional admitted that between October 2003 and February 2015, he and/or his assistants, obtained, possessed, and in some instances used to process transactions, 222 pre-signed account forms in respect of 92 clients.

The CFP professional self-reported the events to FPSC when completing his annual application renewal form, as required by FPSC.

Although there were significant concerns regarding the length of time over which the conduct occurred, the number of clients impacted and volume of forms, FPSC's investigation did not reveal any evidence that the CFP professional engaged in or associated with conduct that involved dishonesty, fraud, deceit or misrepresentation, or knowingly made a false or misleading statement to clients. The investigation did not reveal evidence that the CFP professional falsified client signatures or used/processed any account forms for any purpose other than that authorized by the applicable clients. There was also no evidence of client harm and no complaints were filed as a result of the conduct.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel (the "Panel") directed that the matter be closed on the basis of a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principles 2 and 8; and Rules 601, 607 and 705 of the CFP® Code of Ethics and Rules 2, 12 and 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional / FPSC Level 1 certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional / FPSC Level 1 certificant shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 601:** A CFP professional shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a CFP professional, upon the Marks, or upon the profession.
- **Rule 607:** A CFP professional shall perform financial planning in accordance with applicable laws, rules, regulations and established policies of governmental agencies or other applicable authorities including FPSC.
- **Rule 2:** 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.
- **Rule 12:** A CFP professional shall provide reasonable and prudent professional supervision of any subordinate or third party to whom the CFP professional assigns any work. A CFP professional shall provide reasonable and prudent professional supervision of any individual whose work is subject to review or oversight by him/her as a CFP professional.
- **Rule 18:** A CFP professional performs financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.

## CASE 10

---

**Code Provisions:** FPSC® Code of Ethics: Principles 1, 2, 3, 5, 7 and 8  
FPSC® Rules of Conduct: Rule 1, 2, 18 and 25

### **Background:**

FPSC commenced an investigation into the conduct of the CFP professional following a review of a financial industry regulator's News Release, which reported findings of misconduct.

The CFP professional admitted that he opened two client accounts without having met the clients or otherwise performed the necessary due diligence to learn the essential facts relative to the clients.

The CFP professional failed to self-report the review of his conduct or the finding of misconduct, to FPSC as required.

FPSC's investigation did not reveal any evidence that the incident represented a pattern of misconduct, or that the CFP professional engaged in similar misconduct either previously or subsequently. There was also no evidence of client harm and no complaints were filed, with FPSC, as a result of the conduct.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel (the "Panel") directed that the matter be closed on the basis of a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principles 1, 2, 3, 5, 7 and 8 of the FPSC® Code of Ethics; and Rules 1, 2, 18 and 25 of the FPSC® Rules of Conduct, which provide:

- **Principle 1 – Client First:** A CFP professional shall always place the client's interests first. Placing the client's interests first requires the CFP professional to act honestly and to place the client's interests ahead of his/her own and ahead of all other interests.
- **Principle 2 - Integrity:** A CFP professional / FPSC Level 1 certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 3 – Objectivity:** A CFP professional shall be objective when providing advice and/or services to clients. Objectivity requires intellectual honesty, impartiality and the exercise of sound judgment, regardless of the services delivered or the capacity in which a CFP professional functions.
- **Principle 5 – Fairness:** A CFP professional shall be fair and open in all professional relationships. Fairness requires providing clients with what they should reasonably expect from a professional relationship, and includes honesty and disclosure of all relevant facts, including conflicts of interest.
- **Principle 7 – Diligence:** A CFP professional shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from CFP professionals in the handling of their clients' affairs. Diligence requires fulfilling professional commitments in a timely and thorough manner and taking due care in guiding, informing, planning, supervising, and delivering financial advice and/or services to clients.
- **Principle 8 - Professionalism:** A CFP professional / FPSC Level 1 certificant shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rules 1:** A CFP professional shall not engage in or associate with individuals engaged in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
- **Rule 2:** 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.
- **Rule 18:** A CFP professional performs financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.
- **Rule 25:** A CFP professional shall not make any false or misleading statements to FPSC whether or not in the course of investigating a complaint.

## CASE 11

---

### Code Provisions: FPSC® Code of Ethics: Principle 7

#### Background:

FPSC commenced an investigation into the conduct of the CFP professional following receipt of a complaint from a member of the public.

The allegations gave rise to concerns that the CFP professional failed to make adequate inquiries of the Power of Attorney when large withdrawals were requested from his client's investment accounts over the period March 2010 to October 2014. The Power of Attorney is alleged to have misappropriated the funds.

FPSC's investigation did not reveal any evidence that the withdrawn funds were used for any purpose other than for the client's benefit. While the investigation revealed that the CFP professional had a general understanding of the purpose of the withdrawals, the investigation revealed that he failed to make specific inquiries of the Power of Attorney to ensure his client's best interests were being met.

#### Conduct Review Panel's Decision:

The Conduct Review Panel (the "Panel") directed that the matter be closed on the basis of a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principle 7 of the FPSC® Code of Ethics, which provide:

- **Principle 7 – Diligence:** A CFP professional shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from CFP professionals in the handling of their clients' affairs. Diligence requires fulfilling professional commitments in a timely and thorough manner and taking due care in guiding, informing, planning, supervising, and delivering financial advice and/or services to clients.

## CASE 12

---

**Code Provisions:** FPSC® Code of Ethics: Principles 2 and 8  
FPSC® Rules of Conduct: Rule 2, 12 and 18

### **Background:**

FPSC commenced an investigation into the conduct of the CFP professional following a review of a financial industry regulator's News Release, which reported findings of misconduct.

The CFP professional admitted that between September 2009 and March 2015, he and/or his assistants, obtained, possessed, and in some instances used to process transactions, 65 pre-signed account forms. The CFP professional also admitted that between September 2009 and March 2015, he and/or his assistants, obtained, possessed, and in some instances used to process transactions, 60 account forms by altering information on the forms without obtaining client initials. This conduct impacted approximately 76 clients.

The CFP professional self-reported the regulator's review of his conduct to FPSC, as required.

FPSC's investigation did not reveal any evidence that the CFP professional engaged in or associated with conduct that involved falsification, forgery or discretionary trading. There was also no evidence of ongoing client harm and no complaints were filed, with FPSC, as a result of the conduct.

### **Conduct Review Panel's Decision:**

The Conduct Review Panel (the "Panel") directed that the matter be closed on the basis of a Letter of Guidance and Advice. The Panel reminded the CFP professional of his professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics; and Rules 2, 12 and 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 2 - Integrity:** A CFP professional / FPSC Level 1 certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the CFP professional to observe both the letter and the spirit of the Code.
- **Principle 8 - Professionalism:** A CFP professional / FPSC Level 1 certificant shall act in a manner reflecting positively upon the profession. Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the other principles within the Code.
- **Rule 2:** 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.
- **Rule 12:** A CFP professional shall provide reasonable and prudent professional supervision of any subordinate or third party to whom the CFP professional assigns any work. A CFP professional shall provide reasonable and prudent professional supervision of any individual whose work is subject to review or oversight by him/her as a CFP professional.
- **Rule 18:** A CFP professional performs financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.