



## CASE 1

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

### **Background:**

In June 2017, the CFP® professional self-reported pleading guilty to assault charges under the *Criminal Code of Canada*. Pleading guilty to a criminal offence triggers a Presumptive Bar under the *FPSC® Fitness Standards* to continued certification by the Financial Planning Standards Council (FPSC®). 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. The Panel also considered that the CFP professional does not have a prior disciplinary history with FPSC. The Panel considers a guilty plea to a criminal offence to be a serious matter and one that may reflect negatively on a CFP professional's integrity and fitness, but given the mitigating factors and circumstances in this specific case, directed that it was appropriate and in the public interest that the matter be closed with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant's 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 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.

## CASE 2

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**Code Provisions:** **FPSC® Code of Ethics: Principles 2 and 8**  
**FPSC® Rules of Conduct: Rules 2 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, which reported findings of misconduct.

The CFP professional admitted that between February 2014 and May 2015, the CFP professional altered and used to process transactions, 3 account forms in respect of 3 clients, by changing information on the account forms without having the clients initial the alterations. The CFP professional also admitted that they obtained, possessed, and in some instances, used to process transactions, 24 blank/pre-signed account forms in respect of 10 clients.

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 were no allegations or evidence that the CFP professional falsified any client signatures or initials on any of the forms. The investigation also revealed that the forms were used for the purposes authorized by the clients. There was 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 with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant's obligations pursuant to Principles 2 and 8 of the *FPSC® Code of Ethics*, and Rules 2 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 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 3

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

### **Background:**

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER professional, following receipt of a complaint from a member of the public.

FPSC's investigation revealed that the CFP professional acted unprofessionally towards a client during a telephone conversation. The CFP professional acknowledged the misconduct and expressed remorse.

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

The 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 a certificant's professional obligations pursuant to Principle 8 of the *FPSC® Code of Ethics*, and Rule 2 of the *FPSC® Rules of Conduct*, which provide:

- **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.

## CASE 4

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

### Background:

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER professional, following receipt of a complaint from a member of the public. The complainant alleged that the CFP professional: failed to timely notice the complainant that their accounts were being transferred to another advisor; disclosed confidential information; and failed to contact the client over an extended period of time.

FPSC's investigation revealed that the CFP professional failed to meet with or provide appropriate professional services to the client between September 2013 and 2016. The CFP professional acknowledged this failure.

### Conduct Review Panel's Decision:

The 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 a certificant's professional obligations pursuant to Principles 1, 2, 7 and 8 of the FPSC® Code of Ethics, and Rule 2 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 head 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 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.
- **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 1, 2, 7 and 8

FPSC® Rules of Conduct: Rule 1, 2, 8, 9, 10, 15, 16, 17 and 18

### Background:

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional following a self-report by the CFP professional that they were subject to a complaint to their employer, and subsequently the subject of review of a financial industry regulator, for which they were issued a cautionary letter.

The CFP professional admitted that they altered fund codes on investment forms after clients had signed, and subsequently executed trades in client accounts without seeking client instructions. The CFP professional also admitted that they invested clients into unsuitable funds, and failed to disclose other load options with clients or detail the CFP professional's compensation structure.

FPSC's investigation did not reveal that the CFP professional intentionally misled the client. Further, the investigation revealed that there was no evidence of client harm, and no complaints were filed with FPSC, as a result of the conduct. The CFP professional acknowledged the misconduct and expressed remorse for their actions.

### Conduct Review Panel's Decision:

The 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 a certificant's professional obligations pursuant to Principles 1, 2, 7, 8 of the FPSC® Code of Ethics, and Rules 1, 2, 8, 9, 10, 15, 16, 17, 18 of the FPSC® Rules of Conduct, which provide:

- **Principle 1 - Client First:** A CFP professional shall always place the client's interest 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 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 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 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 the other principles within the Code.
- **Rule 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 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:
  - a) An accurate and understandable description of the compensation arrangements being offered;
  - b) A general summary of potential conflicts of interest between the client and the CFP professional, between the CFP professional's clients in the case of a joint engagement, 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;

- d) Any information that the client might reasonably want to know in establishing the scope and nature of the relationship, including, but not limited to, information about the CFP professional's areas of expertise; and
  - e) Contact information for the CFP professional and, if applicable, the CFP professional's employer.
- **Rule 9:** On an ongoing basis, the CFP professional shall make timely disclosure to the client of any material changes to the above information, in accordance with the provisions of Rule 10.
- **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.
- **Rule 15:** A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.
- **Rule 16:** A CFP professional shall make only those recommendations that are both prudent and appropriate for the client.
- **Rule 17:** A CFP professional shall implement only those strategies that are both prudent and appropriate for the client which strategies the CFP professional must reasonably believe will not materially and negatively impact the client's best interests.
- **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 6

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**Code Provisions:** FPSC® Code of Ethics: Principles 2 and 8  
FPSC® Rules of Conduct: Rules 2 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, which reported findings of misconduct.

The CFP professional admitted that between February 2011 and January 2013, the CFP professional obtained, maintained, and used to process 16 pre-signed account forms for 7 clients. The CFP professional also admitted that on October 21, 2013, the CFP professional altered one form without the client's initials authorizing the change.

FPSC's investigation revealed that the forms were used for the purposes authorized by the clients. There was no evidence of client harm, and no complaints were filed with FPSC, as a result of the conduct. The CFP professional acknowledged the misconduct.

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

The 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 a certificant's professional obligations pursuant to principles 2 and 8 of the *FPSC® Code of Ethics*, and Rules 2 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 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 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

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

FPSC® Rules of Conduct: Rules 2 and 18

### **Background:**

FPSC commenced a review into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The CFP professional admitted that between July 2011 and August 2016, the CFP professional obtained, maintained, and used to process 80 pre-signed account forms for 25 clients.

FPSC's review revealed that the forms were used for the purposes authorized by the clients. There was no evidence of client harm, and no complaints were filed with FPSC, as a result of the conduct. There was also no evidence of falsification or forgery. The CFP professional acknowledged the misconduct.

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

The 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 a certificant's professional obligations pursuant to Principles 2 and 8 of the *FPSC® Code of Ethics*, and Rules 2 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 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 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, 5, 7 and 8**  
**FPSC® Rules of Conduct: Rules and 8**

### Background:

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER professional, following receipt of a complaint from a member of the public. The complainant alleged that the CFP professional: failed to act on client instructions; failed to disclose or misrepresented information; failed to disclose commissions earned; failed to consider the client's financial needs; provided misleading statements; and used blank signed forms to transfer monies.

FPSC's investigation revealed that the CFP professional failed to review all relevant information in detail with the clients; failed to properly disclose their compensation structure; failed to be diligent when completing paperwork; added dollar amounts to trade forms after the clients had signed; and failed to obtain clients' initials prior to processing trade forms.

### Conduct Review Panel's Decision:

The 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 a certificant's professional obligations pursuant to Principles 2, 5, 7 and 8 of the *FPSC® Code of Ethics*, and Rule 2 and 8 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 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.
- **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 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:
  - a) An accurate and understandable description of the compensation arrangements being offered. This description must include information related to costs to the client and the form and source of the compensation to the CFP professional and/or the CFP professional's employer, including any contingency or referral fees. Further, the description must include the terms under which the CFP professional and/or the CFP professional's employer may receive any other source of compensation and, if so, what the sources of these payments are and what they are based on;
  - b) A general summary of potential conflicts of interest between the client and the CFP professional, between the CFP professional's clients in the case of a joint engagement, 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;
- d) Any information that the client might reasonably want to know in establishing the scope and nature of the relationship, including, but not limited to, information about the CFP professional's areas of expertise; and
- e) Contact information for the CFP professional and, if applicable, the CFP professional's employer.

## CASE 9

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**Code Provisions:** FPSC® Code of Ethics: Principle 2  
FPSC® Rules of Conduct: Rules 2 and 18

### **Background:**

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The CFP professional admitted that: between November 2008 and July 2014, the CFP professional obtained, maintained, and used to process 54 pre-signed account forms for 19 clients; between January 2011 and May 2014, the CFP professional altered, and used to process transactions, 14 client account forms in respect of 13 clients, by changing account forms without having the client initial the alterations; between May 2013 and October 2013, the CFP professional processed 306 authorized discretionary trades for 38 clients; and between September 2010 and June 2014, the CFP professional failed to record and maintain evidence of client trade instructions with respect to 340 transactions for 48 clients.

FPSC's investigation revealed that all of the transactions and forms were used for the purposes authorized by the clients. There was no evidence of client harm, and no complaints were filed with FPSC as a result of the conduct. FPSC's investigation also revealed that there was no indication that the CFP professional engaged in or was associated with conduct that involved dishonesty, fraud, deceit, or misrepresentation. The CFP professional acknowledged the misconduct and expressed remorse for their actions.

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

The 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 a certificant's professional obligations pursuant to Principles 2 of the *FPSC® Code of Ethics*, and Rules 2 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.
- **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 10

**Code Provisions:** FPSC® Code of Ethics: Principles 1, 2, 5, 7 and 8  
FPSC® Rules of Conduct: Rules 2, 16, 17, 18 and 25

### Background:

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The CFP professional admitted that: between September 2014 and March 2015, the CFP professional engaged in discretionary trading for 28 trades in respect of 10 clients; between March 2005 and January 2015, the CFP professional directly reimbursed 4 clients for deferred sales charge ("DSC") fees and short-term trading fees incurred by clients; and between March 2010 and August 2014, the CFP professional used 25 pre-signed account forms for 12 clients.

FPSC's investigation revealed that there was evidence of discretionary trading. The investigation also revealed that the CFP professional failed to self-report the misconduct, as required. There was no evidence that the CFP professional received any financial benefit beyond the ordinary commissions and fees. There was also no evidence of client harm, and no complaints were filed with FPSC. The CFP professional acknowledged the misconduct and has amended his practice accordingly.

### Conduct Review Panel's Decision:

The 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 a certificant's professional obligations pursuant to Principles 1, 2, 5, 7 and 8 of the FPSC® Code of Ethics, and Rules 2, 16, 17, 18 and 25 of the FPSC® Rules of Conduct, which provide:

- **Principle 1 - Client First:** A CFP professional shall always place the client's interest 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 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 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.
- **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 16:** A CFP professional shall make only those recommendations that are both prudent and appropriate for the client.
- **Rule 17:** A CFP professional shall implement only those strategies that are both prudent and appropriate for the client which strategies the CFP professional must reasonably believe will not materially and negatively impact the client's best interests.
- **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.
- **Rule 25:** A CFP professional shall not make any false or misleading statement to FPSC whether or not in the course of investigating a complaint.

## CASE 11

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**Code Provisions:** FPSC® Rules of Conduct: Rule 8

### Background:

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER professional, following receipt of a complaint from a member of the public. The complainant alleged that: the CFP professional failed to provide an understandable description of the CFP professional's compensation agreement in writing; the CFP professional failed to provide timely or appropriate advice; the CFP professional failed to act with integrity and professionalism; and the CFP professional failed to follow the client's instructions.

FPSC's investigation revealed that the CFP professional failed to provide their compensation agreement in writing, which caused a misalignment of expectations between the CFP professional and the client. The CFP professional provided appropriate advice in a timely and professional fashion. The CFP professional acknowledged the misconduct.

### Conduct Review Panel's Decision:

The 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 a certificant's professional obligations pursuant to Rule 8 of the *FPSC® Rules of Conduct*, which provide, in part:

- **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:
  - a) An accurate and understandable description of the compensation arrangements being offered.

This description must include information related to costs to the client and the form and source of compensation of the CFP professional and/or the CFP professional's employer, including any contingency or referral fees. Further, the description must include the terms under which the CFP professional and/or the CFP professional/s employer may receive any other source of compensation and, if so, what the sources of these payments are and what they are based on.

## CASE 12

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

### **Background:**

FPSC commenced a review into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The CFP professional admitted that between February 2007 and December 2014, the CFP professional obtained, possessed, and used to process 393 pre-signed account forms for at least 131 clients.

FPSC's review revealed that the forms were used for the purposes authorized by the clients. There was no evidence of client harm, and no complaints were filed with FPSC, as a result of the conduct. There was also no evidence of falsification or forgery. The CFP professional acknowledged the misconduct.

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

The 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 a certificant's 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 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, and/or direction to, any subordinate or third party to whom the CFP professional assigns responsibility for any client services.
- **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 13

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

### **Background:**

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The CFP professional admitted that: between March 2010 and February 2016, the CFP professional obtained, possessed, and used to process 44 pre-signed account forms for 21 clients; and that between November 2009 and February 2016, the CFP professional altered, and used to process 7 client account forms in respect of 7 clients, by changing information on the forms without having the client initial the alterations.

FPSC's investigation revealed that all the transactions and forms were used for the purposes authorized by the clients. There was no evidence of client harm, and no complaints were filed with FPSC, as a result of the conduct. There was also no evidence of falsification or forgery. The CFP professional acknowledged the misconduct.

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

The 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 a certificant's 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 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, and/or direction to, any subordinate or third party to whom the CFP professional assigns responsibility for any client services.
- **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 14

**Code Provisions:** **FPSC® Code of Ethics: Principles 1, 2, 5, 7 and 8**  
**FPSC® Rules of Conduct: Rules 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, which reported findings of misconduct.

The CFP professional admitted that: between July 2011 and August 2016, the CFP professional obtained, possessed, and in some instances, used to process 87 pre-signed account forms in respect of 32 clients. The CFP professional also admitted that on January 20, 2016, the CFP professional processed 4 trades in relation to 3 clients, based on the instructions of someone other than the client.

FPSC's investigation did not reveal any evidence that the CFP professional falsified any client signatures or initials on any of the forms. The investigation also revealed that the forms were used for the purposes authorized by the clients. There was 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 with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant's professional obligations pursuant to Principles 1, 2, 5, 7 and 8 of the *FPSC® Code of Ethics*, and Rules 2, 12 and 18 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 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 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 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 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, and/or direction to, any subordinate or third party to whom the CFP professional assigns responsibility for any client services.
- **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 15

**Code Provisions:** **FPSC® Code of Ethics: Principle 5**  
**FPSC® Rules of Conduct: Rule 8**

### Background:

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional following receipt of information from the CFP professional that they had recommended a charitable tax shelter program to clients, a program the CFP professional was also personally involved in. FPSC's investigation focused on the CFP professional's conduct in promoting the tax shelter program to clients, specifically, whether the CFP professional conducted the necessary due diligence prior to promoting the program to clients, the suitability of the recommendation, and whether or not the CFP professional met FPSC's disclosure requirements.

FPSC's investigation revealed that:

- The CFP professional conducted independent due diligence prior to promoting the program to clients;
- While the CFP professional informed clients that the CFP professional would receive a financial benefit as a result of the clients' participation in the program, the CFP professional failed to disclose, in writing, the compensation they were to receive.

The investigation did not reveal that the tax shelter program was unsuitable for the clients that the CFP professional promoted it to.

### Conduct Review Panel's Decision:

The 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 a certificant's professional obligations pursuant to Rule 8 of the *FPSC® Rules of Conduct*, which provide:

- **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:
  - a) An accurate and understandable description of the compensation arrangements being offered. This description must include information related to costs to the client and the form and source of the compensation to the CFP professional and/or the CFP professional's employer, including any contingency or referral fees. Further, the description must include the terms under which the CFP professional and/or the CFP professional's employer may receive any other source of compensation and, if so, what the sources of these payments are and what they are based on;
  - b) A general summary of potential conflicts of interest between the client and the CFP professional, between the CFP professional's clients in the case of a joint engagement, 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;
  - d) Any information that the client might reasonably want to know in establishing the scope and nature of the relationship, including, but not limited to, information about the CFP professional's areas of expertise; and
  - e) Contact information for the CFP professional and, if applicable, the CFP professional's employer.
- **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.

## CASE 16

**Code Provisions:** CFP™ Code of Ethics: Principles 2, 7 and 8; Rules 201, 202 and 702  
FPSC® Rules of Conduct: Rule 15, 16 and 17

### Background:

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional following a self-report by the CFP professional that they were subject to a complaint and review of a financial industry regulator, for which they were issued a cautionary letter.

FPSC's investigation revealed that in 2007, the CFP professional made unsuitable recommendations regarding multiple leveraged loans. The CFP professional recommended that the client obtain 3 leveraged loans from multiple lending institutions that resulted in increased exposure to investment risk and resulted in client harm in the form of financial losses. FPSC's investigation found the leverage recommendations were unsuitable, given the client's risk tolerance, age, net worth, and total debt to service ratio.

The investigation revealed that there was evidence to suggest that the client was made aware of the risks and benefits associated with the leverage strategy.

### Conduct Review Panel's Decision:

The 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 a certificant's professional obligations pursuant to Principles 2, 7 and 8; and Rules 201, 202 and 702 of the CFP™ Code of Ethics, and Rules 15, 16, and 17 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 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 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 the other principles within the Code.
- **Rule 201/15:** A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.
- **Rule 202:** A CFP professional shall act in the interests of the client.
- **Rule 702:** A CFP professional shall make and/or implement only those recommendations that are suitable for the client.
- **Rule 16:** A CFP professional shall make only those recommendations that are both prudent and appropriate for the client.
- **Rule 17:** A CFP professional shall implement only those strategies that are both prudent and appropriate for the client which strategies the CFP professional must reasonably believe will not materially and negatively impact the client's best interests.

## CASE 17

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**Code Provisions:** FPSC® Code of Ethics: Principle 2

### **Background:**

FPSC commenced an investigation into the conduct of the FPSC Level 1® Certificant, following notice that the certificant had posted Capstone Course material on a social media website.

FPSC's review revealed that on January 14, 2017, the FPSC Level 1 certificant posted a financial plan prepared for a Capstone Course. This content was publicly accessible and viewed over 800 times and downloaded over 50 times.

In response to FPSC's communications, the certificant removed the posted content.

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

Recognizing that the certificant had taken steps to remove the content, the Conduct Review Panel (the "Panel") directed that the matter be closed with a Letter of Guidance and Advice. The Panel reminded the certificant of their professional obligations pursuant to Principle 2 of the *FPSC® Code of Ethics*, 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.

## CASE 18

**Code Provisions:** FPSC® Code of Ethics: Principles 2, 5, and 8

FPSC® Rules of Conduct: Rules 2, 8, 8.1, 9, 10, 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, for which the CFP professional was prohibited from conducting securities related business in any capacity for 1 year. Revocation or suspension of 1 year or longer of a financial services licence or registration triggers a Presumptive Bar under the FPSC® *Fitness Standards* to continued certification by the Financial Planning Standards Council (FPSC®). 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.

The underlying conduct involved the CFP professional: acting in a dual occupation by acting as co-executor to a client's estate, which dual occupation was not disclosed nor approved by the CFP professional's employer; engaging in authorized discretionary trading; and failing to report as required. Further, the CFP professional failed to provide an understandable description of the CFP professional's compensation arrangement in writing.

### 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. The Panel also considered that the CFP professional does not have a prior disciplinary history with FPSC, and no complaints were filed with FPSC. The Panel considers a one-year suspension to be a serious matter and one that may reflect negatively on a CFP professional's integrity and fitness, but given the mitigating factors and circumstances in this specific case, directed that it was appropriate and in the public interest that the matter be closed with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant's obligations pursuant to Principles 2, 5 and 8 of the FPSC® *Code of Ethics*, and Rules 2, 8, 8.1, 9, 10, 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 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 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 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:
  - a) An accurate and understandable description of the compensation arrangements being offered. This description must include information related to costs to the client and the form and source of the compensation to the CFP professional and/or the CFP professional's employer, including any contingency or referral fees. Further, the description must include the terms under which the CFP professional and/or the CFP professional's employer may receive any other source of compensation and, if so, what the sources of these payments are and what they are based on;

- b) A general summary of potential conflicts of interest between the client and the CFP professional, between the CFP professional's clients in the case of a joint engagement, 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;
  - d) Any information that the client might reasonably want to know in establishing the scope and nature of the relationship, including, but not limited to, information about the CFP professional's areas of expertise; and
  - e) Contact information for the CFP professional and, if applicable, the CFP professional's employer.
- **Rule 8.1:** When the services include financial planning or material elements of the financial planning process:
  - a) A CFP professional shall not provide services to a client where there is an existing conflict of interest between the CFP professional and the client; unless, after full written disclosure of the existing conflict of interest, the client makes the informed decision to engage the CFP professional notwithstanding the conflict. The CFP professional must obtain the client's written consent before providing services to the client. Such written consent must include a description of the conflict of interest and confirmation of the client's decision to proceed.
  - b) Where a conflict of interest arises during the course of an ongoing relationship with a client either between the client and the CFP professional or between the CFP professional's clients in the case of a joint engagement, a CFP professional shall, immediately upon discovery of the conflict of interest, advise the client, in writing, of the conflict of interest. In such circumstances a CFP professional shall cease providing services (acting in accordance with the provisions of Rule 11) unless and until the client makes the informed decision to continue with the engagement. The CFP professional must obtain the client's written consent to continue. Such written consent must include a description of the conflict of interest and confirmation of the client's decision to proceed.
- **Rule 9:** On an ongoing basis, the CFP professional shall make timely disclosure to the client of any material changes to the above information, in accordance with the provisions of Rule 10.
- **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) 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 19

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

### **Background:**

In March 2018, the CFP® professional declared to the Financial Planning Standards Council (FPSC®) that, in October 2017, the CFP professional entered into personal bankruptcy proceedings under the *Bankruptcy and Insolvency Act*. This declaration triggers a Presumptive Bar to continued certification by FPSC, under the *FPSC® Fitness Standards*. A Presumptive Bar to certification may only be displaced following a successful Request for Reconsideration by the CFP professional and a determination by the Conduct Review Panel (the “Panel”) that the Presumptive Bar should be set aside given the particular circumstances.

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

The Panel considered the circumstances and mitigating factors identified in the CFP professional’s Request for Reconsideration. The Panel was concerned that the bankruptcy was the result of personal financial mismanagement by the CFP professional and not external factors beyond the CFP professional’s control. The Panel noted that such circumstances may reflect negatively on the certificant’s fitness and may impact the public’s view of the certificant’s ability to provide financial planning advice to the public. Notwithstanding this concern, given the mitigating factors and circumstances in this specific case, the Panel directed that it was appropriate and in the public interest that the matter be closed with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant’s 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 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.

## CASE 20

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**Code Provisions:**    **FPSC® Code of Ethics: Principle 2**  
                                  **FPSC® Rules of Conduct: Rules 1, 2 and 18**

### **Background:**

FPSC commenced an investigation into the conduct of the FPSC Level 1 Certificant, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The FPSC Level 1 Certificant admitted that: between August 2012 and April 2015, the FPSC Level 1 Certificant processed 352 authorized discretionary trades for 78 clients; and in July 2015, the FPSC Level 1 Certificant failed to record and maintain evidence of client trade instructions.

FPSC's investigation revealed that while the FPSC Level 1 Certificant did obtain general authorization, they failed to obtain the necessary written authorization from their clients, including the dates and amounts of the trades. FPSC's investigation did not reveal any evidence that the FPSC Level 1 Certificant received any financial benefit beyond the ordinary commissions and fees. 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 with a Letter of Guidance and Advice. The Panel reminded the FPSC Level 1 Certificant of a certificant's professional obligations pursuant to Principles 2 of the *FPSC® Code of Ethics*, and Rules 2 and 18 of the *FPSC® Rules of Conduct*, which provide:

- **Principle 2 - Integrity:** An 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 FPSC Level 1 Certificant to observe both the letter and the spirit of the Code.
- **Rule 1:** An FPSC Level 1 Certificant 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:** An FPSC Level 1 Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as an FPSC Level 1 Certificant, the CFP marks or the profession.
- **Rule 18:** An 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 21

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

FPSC® Rules of Conduct: Rules 2, 12, 18 and 25

### **Background:**

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The CFP professional admitted that: between February 2009 and February 2017, the CFP professional obtained, possessed, and used to process 80 pre-signed account forms for 57 clients; and between July 2015 and November 2016, the CFP professional altered and used to process 6 client account forms in respect of 8 clients, by changing information on the forms without having the clients initial the alterations.

FPSC's investigation revealed that the CFP professional failed to self-report the misconduct within the 15-day reporting requirement and/or as required on FPSC's annual certification renewal application form. The investigation determined that although the forms were pre-signed, and in some cases altered, all the related transactions were used for the purposes authorized by the clients and there was no evidence of falsification or forgery. 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 with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant's professional obligations pursuant to Principles 2 and 8 of the FPSC® Code of Ethics, and Rules 2, 12, 18 and 25 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 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, and/or direction to, any subordinate or third party to whom the CFP professional assigns responsibility for any client services.
- **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.
- **Rule 25:** A CFP professional shall not make any false or misleading statement to FPSC whether or not in the course of investigating a complaint.



## CASE 22

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**Code Provisions:**    **FPSC® Code of Ethics: Principle 7**  
                                  **FPSC® Rules of Conduct: Rule 18**

### **Background:**

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a financial industry regulator's news release, which reported findings of misconduct.

The CFP professional admitted that: between September and October 2013, the CFP professional processed discretionary trades for 17 clients; and between September and October 2013, the CFP professional failed to record and maintain evidence of client trade instructions with respect to 9 clients.

FPSC's investigation revealed that there was no evidence that the CFP professional received any financial benefit outside of the fees or commissions they would have ordinarily been entitled to. 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 with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant's professional obligations pursuant to Principle 7 of the *FPSC® Code of Ethics*, and Rule 18 of the *FPSC® Rules of Conduct*, 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.
- **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 23

**Code Provisions:** **FPSC® Code of Ethics: Principles 2, 7 and 8**  
**FPSC® Rules of Conduct: Rules 1, 2 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, which reported findings of misconduct.

The CFP professional admitted that: in December 2015, the CFP professional deliberately forged their client's signature on one account form, and submitted that form for processing.

FPSC's investigation revealed that the account form was used for the purposes authorized by the client. There was no evidence of client harm, and no complaints were filed with FPSC, as a result of the conduct. The CFP professional acknowledged the misconduct.

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

The 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 a certificant's professional obligations pursuant to Principles 2, 7 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 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 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 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 the other principles within the Code.
- **Rule 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 shall perform financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities including FPSC.

## CASE 24

**Code Provisions:** **FPSC® Code of Ethics: Principles 1, 2, 5, 7 and 8**  
**FPSC® Rules of Conduct: Rules 2 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, which reported findings of misconduct.

FPSC's investigation revealed that over the course of two years, the CFP® professional solicited and accepted service fees outside of their employer for business that the CFP professional would also receive remuneration from their employer for the same activities. The investigation further revealed that while the CFP professional did disclose the fees charged to the clients, the CFP professional failed to make adequate inquiries of their employer regarding the compensation arrangements already in place, prior to charging the fee. There was evidence to suggest that the CFP professional reimbursed any impacted clients, and no complaints were filed with FPSC as a result of the conduct. The CFP professional acknowledged the misconduct.

### Conduct Review Panel's Decision:

The Conduct Review Panel (the "Panel") directed that the matter be closed with a Letter of Guidance and Advice. While the CFP professional did disclose the fees charged to the client's and reimbursed any impacted clients after the issue was brought to the CFP professional's attention, failure to clarify whether there were other compensation arrangements already in place through the employer before charging the additional fee, gave the Panel concern regarding the CFP professional's integrity. The Panel reminded the CFP professional of a certificant's professional obligations pursuant to Principles 1, 2, 5, 7 and 8 of the *FPSC® Code of Ethics*, and Rules 2 and 18 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 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 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 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 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 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 25

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**Code Provisions:** FPSC® Code of Ethics: Principles 7 and 8  
FPSC® Rules of Conduct: Rule 11

### **Background:**

FPSC commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional following a self-report by the CFP professional that they were subject to a complaint and review by their employer. The complaint involved allegations of facilitating misappropriation, and a failure to maintain adequate records of client instructions and discussions.

FPSC's investigation revealed that the CFP professional failed to maintain adequate records of client discussions, and failed to adequately inform their client that they were no longer acting for the client. FPSC's investigation did not reveal any evidence that the CFP professional knowingly assisted in any misappropriation. The CFP professional acknowledged their misconduct, and there were no complaints 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 with a Letter of Guidance and Advice. The Panel reminded the CFP professional of a certificant's professional obligations pursuant to Principles 7 and 8 of the FPSC® Code of Ethics, and Rule 11 of the FPSC® Rules of Conduct, 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.
- **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 the other principles within the Code.
- **Rule 11:** Where a CFP professional determines that s/he no longer wishes to act for a client, such CFP professional shall ensure that the client receives timely written notice of his/her intent, and shall make sure the withdrawal of financial advice and/or services will not prejudice the client.