

CASE 1

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 2 and 8
FP Canada Standards Council Rules of Conduct: Rules 2 and 24

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional following a self-report by the CFP professional that they were the subject of a review by a financial industry regulator, which reported findings of misconduct.

The CFP professional admitted that between June 2007 and October 2016, the CFP professional altered and used to process transactions, 7 account forms in respect of 7 clients, by changing information on the account forms without having the clients initial the alterations. The CFP professional also admitted that between May 2002 and July 2016, they obtained, possessed, and in some instances, used to process transactions, 68 blank/pre-signed account forms in respect of 29 clients.

The Standards Council'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 the Standards Council, 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 *Code of Ethics*, and Rules 2 and 24 of the *Rules of Conduct*, which provide:

Principle 2 - Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the Code of Ethics.

Principle 8 - Professionalism: A 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 24: A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.

CASE 2

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 1, 5 and 7

Background:

FP Canada Standards Council™ 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.

In the complaint, it was alleged that the CFP professional recommended unsuitable funds to two clients, a married couple, and failed to adequately explain the associated fee structure. The Standard Council's investigation revealed that while the CFP professional conducted a suitability analysis with the clients, the CFP professional failed to discuss the fund and associated fee structure with the one spouse. The CFP professional relied on the other spouse's representation that they had consented to the transaction.

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 1, 5 and 7 of the *Code of Ethics*, which provide:

Principle 1 – Duty of Loyalty to the Client: The Duty of Loyalty encompasses: The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests; The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and the duty to act with the care, skill and diligence of a prudent professional.

Principle 5 - Fairness: A Certificant 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 Certificant shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from Certificants 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 3

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 1, 5, 7 and 8
FP Canada Standards Council Rules of Conduct: Rules 2, 21 and 22
FP Canada Standards Council Practice Standards: 2, 4, 5, 6, 7 and 8

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a public complaint from a married couple. The complainants alleged that the CFP professional: provided incompetent and uneducated financial planning advice; provided an inadequate financial plan; failed to conduct due diligence by failing to consider their tax filings when providing advice; and provided advice that resulted in an unexpected tax payable event.

The Standards Council's investigation revealed that the CFP professional failed to define the terms and scope (including what services would or would not be provided) of the client engagement, in writing. In the absence of a limited scope retainer, it was reasonable for the clients to anticipate and expect that when engaging a CFP professional, they will receive holistic financial planning services and advice. The investigation revealed that the CFP professional failed to: gather sufficient quantitative and qualitative information (up to date policy statements; prior returns and tax credits) relevant to the engagement before making recommendations; identify and assess other possible financial planning strategies available before recommending a particular strategy; and present the financial planning recommendations and supporting rationale in a way that allowed the clients to make an informed decision.

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 1, 5, 7 and 8 of the *Code of Ethics*, Rules 2, 21 and 22 of the *Rules of Conduct*, and *Practice Standards* 2, 4, 5, 6, 7 and 8, which provide:

Principle 1 – Duty of Loyalty to the Client: The Duty of Loyalty encompasses: The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests; The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and the duty to act with the care, skill and diligence of a prudent professional.

Principle 5 - Fairness: A Certificant 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 Certificant shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from Certificants 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 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 21: A Certificant shall always exercise reasonable and prudent professional judgment.

Rule 22: A Certificant shall make only those recommendations that are both prudent and appropriate for the client.

Practice Standard 2: Define the Terms of the Engagement. The Certificant will work with the client to define and agree on the scope of the financial planning engagement, whether an initial or review engagement.

Practice Standard 4: Gather the Client's Information. Gather sufficient quantitative and qualitative information relevant to the engagement before making and/or implementing any recommendations.

Practice Standard 5: Assess the Client's Current Situation. Identify and evaluate the strengths and weaknesses in the client's financial situation, perform required calculations, develop needed projections and analyze and integrate the resulting information relative to the client's personal goals, needs and priorities.

Practice Standard 6: Identify and Evaluate the Appropriate Financial Planning Strategies. Identify and assess the possible financial planning strategies to achieve the client's personal goals, needs and priorities.

Practice Standard 7: Develop the Financial Planning Recommendations. Develop and prioritize recommendations to help meet the client's personal goals, needs and priorities and aim to optimize the client's financial position.

Practice Standard 8: Compile and Present the Financial Planning Recommendations and Supporting Rationale. Present the financial planning recommendations and supporting rationale in a way that allows the client to make an informed decision.

CASE 4

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 7 and 8
FP Canada Standards Council Rules of Conduct: Rules 21 and 24

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of a CERTIFIED FINANCIAL PLANNER® professional following a self-report by the certificant informing that they were the subject of a review by a financial industry regulator, which reported findings of misconduct.

The CFP professional admitted that: In December 2015, a change was made to a client's banking information based on instructions received from a third party, who, without the CFP professional's knowledge, had gained unlawful access to the client's email. The CFP professional failed to follow the firm's policies and procedures and obtain a signed account form from the client authorizing the change. In December 2015 and January 2016, the CFP professional then processed two redemptions in the client's accounts based on email instructions from the unknown third party, without taking adequate steps to verify the client's identity and wired the monies to an account that was not set up by the client. In processing the redemption in the client's RRSP account, the CFP professional did not obtain specific instructions as to the fund that was to be redeemed or the details of the trade and used his own discretion in executing the transaction.

The Standards Council's investigation revealed that the CFP professional failed to conduct adequate due diligence and exhibited poor judgment by failing to follow the appropriate guidelines set out to protect the client and the firm from any liability. There was also evidence to support that the CFP professional engaged in discretionary trading, representing a lack of reasonable and professional judgment and lack of diligence in the handling of the client's affairs.

The Standards Council's investigation did not reveal any evidence that the CFP professional received any financial benefit from the conduct, and there was no evidence to suggest that the CFP professional had any knowledge that they were dealing with anyone other than the client. Although the client suffered financial harm, the client was fully reimbursed, and did not file a complaint regarding the incident.

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 7 and 8 of the *Code of Ethics*, and Rules 21 and 24 of the *Rules of Conduct*, which provide:

Principle 7 – Diligence: A Certificant shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from Certificants 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 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 of Ethics.

Rule 21: A Certificant shall always exercise reasonable and prudent professional judgment.

Rule 24: A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.

CASE 5

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 1, 2, 3, 5, 7, 8
FP Canada Standards Council Rules of Conduct: Rules 2, 7, 8, 9, 12, 21, 22, 23 and 24

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of the *CERTIFIED FINANCIAL PLANNER*® professional, following a self-report by the certificant informing that they were the subject of a review by a financial industry regulator.

The Standards Council's investigation revealed that the CFP professional sold prospectus exempt securities to clients which gave rise to a conflict of interest, where the nature and extent of the conflict was not disclosed in writing, and the CFP professional failed to obtain the client's written consent to continue despite the conflict. Further, the CFP professional failed to: ensure the clients were eligible to purchase prospectus exempt securities, comply with know your product and suitability requirements, abide by her undertaking not to use pre-signed and photocopied forms; ensure she was authorized to provide tailored advice regarding securities, and ensure all products sold were listed on the client's quarterly account statement.

Conduct Review Panel's Decision:

In the specific circumstances of this matter, 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 1, 2, 3, 5, 7 and 8 of the *Code of Ethics*, and Rules 2, 7, 8, 9, 12, 21, 22, 23 and 24 of the *Rules of Conduct*, which provide:

Principle 1 – Duty of Loyalty to the Client

The Duty of Loyalty encompasses: The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests; The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and the duty to act with the care, skill and diligence of a prudent professional.

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the Code of Ethics.

Principle 3 – Objectivity: A Certificant 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 Certificant functions.

Principle 5 – Fairness: A Certificant 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 Certificant shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from Certificants 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 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 7: A Certificant shall disclose the following information to the client in writing, with the exception of subsection (b) below. The information under subsection (b) below may be disclosed orally:

- a) An accurate and understandable description of the known costs of the services and products, to the client;
- b) When the services include financial planning or elements of the financial planning process, an accurate and understandable description of how the Certificant, the Certificant's firm are compensated for providing the products and services;
- c) Any contingency or referral fees received by the Certificant or the Certificant's firm, in relation to services provided to the client;
- d) A general summary of potential conflicts of interest between the client and the Certificant, between the Certificant's clients in the case of a joint engagement, the Certificant's employer, or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the Certificant or the Certificant's employer that has a potential to materially affect the relationship with the client;
- e) The specific financial planning services the Certificant will perform for the client;
- f) Any information about the Certificant or the Certificant's employer that could reasonably be expected to materially affect the client relationship/engagement;
- g) 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 Certificant's area of expertise; and
- h) Contact information for the Certificant and, if applicable, the Certificant's employer.

Rule 8: When the services include financial planning or material elements of the financial planning process:

- a) A Certificant shall not provide services to a client where there is an existing conflict of interest between the Certificant and the client unless, after full written disclosure of the existing conflict of interest, the client makes the informed decision to engage the Certificant notwithstanding the conflict. The Certificant shall obtain the client's written consent before providing services to the client. Such written consent shall 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 Certificant or between the Certificant's clients in the case of a joint engagement, a Certificant shall, immediately upon discovery of the conflict of interest, advise the client in writing of the conflict of interest. In such circumstances, a Certificant shall cease providing services (acting in accordance with the provisions of Rule 14) unless and until the client makes the informed decision to continue with the engagement. The Certificant shall obtain the client's written consent to continue. Such written consent shall include a description of the conflict of interest and confirmation of the client's decision to proceed.

Rule 9: On an ongoing basis, the Certificant shall make timely disclosure to the client of any material changes to the above information, in accordance with the provisions of Rule 8.

Rule 12: A Certificant 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 of the professional relationship or services to be rendered. Such changes may include, but are not limited to:

- a) Conflicts of interest;
- b) The Certificant's business affiliation;
- c) Compensation structures affecting the professional services to be rendered; and
- d) New or changed agency relationships

Rule 21: A Certificant shall always exercise reasonable and prudent professional judgment.

Rule 22: A Certificant shall make only those recommendations that are both prudent and appropriate for the client.

Rule 23: A Certificant shall implement only those strategies that are both prudent and appropriate for the client and that the Certificant reasonably believes will not materially and negatively impact the client's best interests.

Rule 24: A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.

CASE 6

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 1, 2, 3 and 7
FP Canada Standards Council Rules of Conduct: Rules 2, 7, 21, 22 and 23

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following a self-report by the certificant informing that several complaints were filed by former clients at the CFP professional's employer.

The Standards Council's investigation revealed that the CFP professional opened RESP accounts for a client without directly meeting or speaking to the client. The CFP professional also failed to disclose to the client an accurate and understandable description of the sources of compensation and information related to any costs associated with the investments purchased in the RESP accounts. The CFP professional also took investment instructions from a family member, even though the individual was not a joint account holder and did not have the specific authority to act or provide direction on the accounts.

In review of a separate and unrelated complaint, the Standards Council found that the conduct of the CFP professional failed to place the client's interests first by providing inappropriate and imprudent investment recommendations that a senior client restructure their portfolio from no-load to DSC funds at no direct benefit to the client.

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 1, 2, 3 and 7 of the *Code of Ethics*, and Rules 2, 7, 21, 22 and 23 of the *Rules of Conduct*, which provide:

Principle 1 – Duty of Loyalty to the Client: The Duty of Loyalty encompasses: The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests; The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and the duty to act with the care, skill and diligence of a prudent professional.

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the Code of Ethics.

Principle 3 – Objectivity: A Certificant 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 Certificant functions.

Principle 7 – Diligence: A Certificant shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from Certificants 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 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 7: A Certificant shall disclose the following information to the client in writing, with the exception of subsection (b) below. The information under subsection (b) below may be disclosed orally:

- a) An accurate and understandable description of the known costs of the services and products, to the client;
- b) When the services include financial planning or elements of the financial planning process, an accurate and understandable description of how the Certificant, the Certificant's firm are compensated for providing the products and services;
- c) Any contingency or referral fees received by the Certificant or the Certificant's firm, in relation to services provided to the client;
- d) A general summary of potential conflicts of interest between the client and the Certificant, between the Certificant's clients in the case of a joint engagement, the Certificant's employer, or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the Certificant or the Certificant's employer that has a potential to materially affect the relationship with the client;
- e) The specific financial planning services the Certificant will perform for the client;
- f) Any information about the Certificant or the Certificant's employer that could reasonably be expected to materially affect the client relationship/engagement;
- g) 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 Certificant's area of expertise; and
- h) Contact information for the Certificant and, if applicable, the Certificant's employer.

Rule 21: A Certificant shall always exercise reasonable and prudent professional judgment.

Rule 22: A Certificant shall make only those recommendations that are both prudent and appropriate for the client.

Rule 23: A Certificant shall implement only those strategies that are both prudent and appropriate for the client and that the Certificant reasonably believes will not materially and negatively impact the client's best interests.

CASE 7

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 2 and 8
FP Canada Standards Council Rules of Conduct: Rule 2

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a public complaint. The Complainant alleged that the CFP professional sent rude and unprofessional emails to the Complainant, and refused to discuss and answers questions about the Complainant's life insurance policy by email.

The Standards Council's investigation revealed that the CFP professional failed to take the time to review and respond to the Complainant's inquiries, or advise the Complainant that the CFP professional would provide the requested information at a later time. Further, the Standards Council's investigation revealed that the CFP professional's response to the Complainant by email was unprofessional, and demonstrated a lack of insight into the CFP professional's conduct and professional responsibilities.

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 *Code of Ethics*, and Rule 2 of the *Rules of Conduct*, which provide:

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the *Code of Ethics*.

Principle 8 – Professionalism: A 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

CASE 8

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 2, 5 and 8
FP Canada Standards Council Rules of Conduct: Rules 2, 7, 12 and 24

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of the *CERTIFIED FINANCIAL PLANNER*® professional, following a self-report by the certificant informing that they were the subject of a review by a financial industry regulator.

The Standards Council's investigation revealed that the CFP professional received payments related to the sale of a security, where the compensation was not disclosed to clients. The CFP professional also failed to notify the client of a material change, after learning that they were going to be compensated. The investigation also revealed that the CFP professional accepted the payment knowing that the product was not approved for sale, and where policies and procedures precluded referral payments directly to an advisor.

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, 5 and 8 of the *Code of Ethics*, and Rules 2, 7, 12 and 24 of the *Rules of Conduct*, which provide:

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the Code of Ethics.

Principle 5 – Fairness: A Certificant 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 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 7: A Certificant shall disclose the following information to the client in writing, with the exception of subsection (b) below. The information under subsection (b) below may be disclosed orally:

- a) An accurate and understandable description of the known costs of the services and products, to the client;
- b) When the services include financial planning or elements of the financial planning process, an accurate and understandable description of how the Certificant, the Certificant's firm are compensated for providing the products and services;
- c) Any contingency or referral fees received by the Certificant or the Certificant's firm, in relation to services provided to the client;
- d) A general summary of potential conflicts of interest between the client and the Certificant, between the Certificant's clients in the case of a joint engagement, the Certificant's employer, or any affiliates or third parties, including, but not limited to, information about any familial, contractual or agency relationship of the Certificant or the Certificant's employer that has a potential to materially affect the relationship with the client;
- e) The specific financial planning services the Certificant will perform for the client;
- f) Any information about the Certificant or the Certificant's employer that could reasonably be expected to materially affect the client relationship/engagement;
- g) 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 Certificant's area of expertise; and
- h) Contact information for the Certificant and, if applicable, the Certificant's employer.

Rule 12: A Certificant 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 of the professional relationship or services to be rendered. Such changes may include, but are not limited to:

- a) Conflicts of interest;
- b) The Certificant's business affiliation;
- c) Compensation structures affecting the professional services to be rendered; and
- d) New or changed agency relationships

Rule 24: A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.

CASE 9

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 2 and 8
FP Canada Standards Council Rules of Conduct: Rule 2

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of the CERTIFIED FINANCIAL PLANNER® professional, following receipt of a public complaint.

While the Standards Council’s investigation did not reveal evidence that would tend to support the complainant’s allegations, the Standards Council’s investigation identified two issues which raised concerns about the CFP professional’s understanding of their obligations as a Power of Attorney (POA).

The Conduct Review Panel (the “Panel”) determined that as a CFP professional, the CFP professional knew or ought to have known that a POA is prohibited from making testamentary changes, and that these actions could be construed as preferring the CFP professional’s interests over the interests of others.

Conduct Review Panel’s Decision:

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 *Code of Ethics*, and Rule 2 of the *Rules of Conduct*, which provide:

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the *Code of Ethics*.

Principle 8 – Professionalism: A 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

CASE 10

Code Provisions: FP Canada Standards Council Rules of Conduct: Rule 24

Background:

FP Canada Standards Council™ commenced an investigation into the conduct of a CERTIFIED FINANCIAL PLANNER® professional following a self-report by the certificant informing that they were the subject of a review by a financial industry regulator.

The Standards Council's investigation revealed that the CFP professional referred three individuals, two of whom were clients, to purchase syndicated mortgages. The investigation revealed that the investors were made aware that the CFP professional was to receive compensation for the referral, and disclosure was done in writing, as required. The investigation revealed however, that the CFP professional failed to disclose the referral arrangement and referral fees received to his employer.

The Conduct Review Panel determined that by failing to disclose the referral arrangement and fees to the employer, the CFP professional may have failed to comply with applicable rules and established policies, which may demonstrate a failure to comply with Rule 24.

Conduct Review Panel's Decision:

Given the specific circumstances of this matter, 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 Rule 24 of the *Rules of Conduct*, which provide:

Rule 24: A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.

CASE 11

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 1, 2, 7 and 8
FP Canada Standards Council Rules of Conduct: Rules 2 and 24

Background:

The FP Canada Standards Council™ commenced an investigation into the conduct of the *CERTIFIED FINANCIAL PLANNER*® professional, following a self-report by the certificant informing that they were the subject of a review by a financial industry regulator.

The Standards Council's investigation determined that, between 2009 and 2014, the CFP professional obtained 10 pre-signed account forms in respect of 7 clients. The Standards Council's took into consideration that the forms were not used to process transactions or transact on accounts, there was no evidence of client harm, or any indication that the CFP professional received any financial benefit from engaging in the conduct.

The Standards Council's investigation also determined that the CFP professional failed to process a total of 20 transactions for 10 client accounts in a timely manner and failed to process 2 transactions requested by 2 clients. There was evidence to support that some of the delayed transactions caused client harm and financial losses. However, the Standards Council took into consideration during the review that all losses were reimbursed to clients and any erroneous transactions were corrected on behalf of the clients.

As a result of the above findings, the Standards Council's investigation concluded that the CFP professional failed to comply with the regulatory bodies rules and regulations and the firm's corporate policies and procedures.

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 1, 2, 7 and 8 of the *Code of Ethics*, and Rules 2 and 24 of the *Rules of Conduct*, which provide:

Principle 1 – Duty of Loyalty to the Client: The Duty of Loyalty encompasses: The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests; The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and the duty to act with the care, skill and diligence of a prudent professional.

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the Code of Ethics.

Principle 7 – Diligence: A Certificant shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from Certificants 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 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 24: A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.

CASE 12

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 1, 2, 3, 5, 7 & 8
FP Canada Standards Council Rules of Conduct: Rules 2, 21, 22 and 23

Background:

The FP Canada Standards Council™ commenced an investigation into the conduct of the FPSC Level 1® Certificant in Financial Planning following receipt of a public complaint. The client alleged that the Level 1 Certificant: failed to consider the client's debt when creating the client's initial financial plan; failed to put the client's interests first, by failing to advise of the First-Time Home Buyer's Plan (HBP); and acted unprofessionally in email and telephone communications.

The Standards Council's investigation revealed that, while the Level 1 Certificant had a preliminary discussion with the client about the HBP, those discussions were tabled, and the Level 1 Certificant failed to revisit the use of the HBP and seek the client's instructions after it became apparent the client's registered funds would be required. Further, the Standards Council's investigation revealed that the Level 1 Certificant's conduct during a telephone conversation with the client was confrontational and fell below the standard expected of a professional. The investigation did not reveal sufficient documentation/information to support that the Level 1 Certificant failed to consider the client's debt when creating the initial financial plan.

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 Level 1 Certificant of a certificant's obligations pursuant to Principles 1, 2, 3, 5, 7 and 8 of the *Code of Ethics*, and Rules 2, 21, 22 and 23 of the *Rules of Conduct*, which provide:

Principle 1 – Duty of Loyalty to the Client: The Duty of Loyalty encompasses: The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests; The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and the duty to act with the care, skill and diligence of a prudent professional.

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the *Code of Ethics*.

Principle 3 – Objectivity: A Certificant 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 Certificant functions.

Principle 5 - Fairness: A Certificant 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 Certificant shall act diligently when providing advice and/or services to clients. Diligence is the degree of care and prudence expected from Certificants 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 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 of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 21: A Certificant shall always exercise reasonable and prudent professional judgment.

Rule 22: A Certificant shall make only those recommendations that are both prudent and appropriate for the client.

Rule 23: A Certificant shall implement only those strategies that are both prudent and appropriate for the client and that the Certificant reasonably believes will not materially and negatively impact the client's best interests.

CASE 13

Code Provisions: FP Canada Standards Council Code of Ethics: Principles 1 and 2
FP Canada Standards Council Rules of Conduct: Rules 2, 21, 22 and 24

Background:

The FP Canada Standards Council™ commenced an investigation into the conduct of the *CERTIFIED FINANCIAL PLANNER*® professional, following a self-report by the certificant informing that they were the subject of a review by a financial industry regulator.

The Standards Council's investigation revealed that in May 2016, the CFP professional purchased a mutual fund absent client authorization. The CFP professional also directed their assistant to change the client's risk tolerance level absent the client's knowledge and authorization. In addition, the investigation revealed that between February 2015 and May 2016, the CFP professional altered 8 account forms in respect of 5 clients. There was no evidence of forgery, falsification, or client harm, and no complaints were filed with the Standards Council 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 1 and 2 of the *Code of Ethics*, and Rules 2, 21, 22 and 24 of the *Rules of Conduct*, which provide:

Principle 1 – Duty of Loyalty to the Client: The Duty of Loyalty encompasses: The duty to act in the client's interest by placing the client's interests first. Placing the client's interests first requires the Certificant place the client's interests ahead of their own and all other interests; The obligation to disclose conflicts of interest and to mitigate conflicts in the client's favour; and the duty to act with the care, skill and diligence of a prudent professional.

Principle 2 – Integrity: A Certificant shall always act with integrity. Integrity means rigorous adherence to the moral rules and duties imposed by honesty and justice. Integrity requires the Certificant to observe both the letter and the spirit of the Code of Ethics.

Rule 2: A Certificant shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a Certificant, the certification marks or the profession.

Rule 21: A Certificant shall always exercise reasonable and prudent professional judgment.

Rule 22: A Certificant shall make only those recommendations that are both prudent and appropriate for the client.

Rule 24: A Certificant shall provide their professional services in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities, including FP Canada and the FP Canada Standards Council.