



## **Details of Hearing: Edwards, Douglas (Cambridge, ON)**

In September 2015, FPSC's Disciplinary Hearing Panel (the Hearing Panel) considered the matter of the *Financial Planning Standards Council and Douglas Edwards*.

FPSC alleged that Mr. Edwards engaged in professional misconduct by:

- Recommending and promoting two income tax reduction/avoidance programs to his Clients (J.N. and K.N.) absent substantive due diligence regarding the suitability and legality of the programs;
- Failing to take steps to ensure his Clients were aware of the associated risks of participation;
- Misrepresenting the associated risks of participation; and
- Failing to take steps to ensure the programs were appropriate for his Clients given their risk tolerances.

By way of unanimous decision dated October 2, 2015, the Hearing Panel found that Mr. Edwards engaged in professional misconduct by:

1. Failing to provide his clients, J.N. and K. N., with appropriate or prudent financial recommendations consistent with the Clients' stated objectives, contrary to Rules 201, 202 and 702 of the *CFP® Code of Ethics* (the "Code") in effect at the time;
2. Failing to take into consideration the Clients' lack of financial knowledge and experience when making recommendations, contrary to Rules 201, 202 and 702 of the *Code* and Principles 1 and 8 and Rules 15 and 16 of the *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning* (the "Standards") in effect at the time;
3. Making inappropriate recommendations to the clients, contrary to Principle 2 and Rules 201, 202, 601 and 702 of the *Code* and Principles 1, 3 and 8 of the *Standards*;
4. Failing to exercise appropriate due diligence before making recommendations to the Clients, contrary to Principles 2 and 7 and Rules 201 and 702 of the *Code* and Principles 3, 7 and 8 and Rules 15 and 16 of the *Standards*;
5. Failing to look after his Clients' best interests and make recommendations that were consistent with their goals, contrary to Principle 7 of the *Code* and Principles 7 and 8 of the *Standards*;

### **Corporate Office:**

902-375 University Avenue, Toronto, ON M5G 2J5  
phone 416 593 8587 fax 416 593 6903  
toll free 1 800 305 9886 web [www.fpsc.ca](http://www.fpsc.ca)

### **Ottawa Office:**

408-151 Slater Street, Ottawa, ON K1P 5H3  
phone 613 627 0608 fax 613 238 9880  
toll free 1 800 305 9886 web [www.fpsc.ca](http://www.fpsc.ca)

The Hearing Panel issued the following Order on Penalty dated December 10, 2015:

1. Mr. Edwards is barred from being certified or recertified by the FPSC for a period of five (5) years from the date of this Order.
2. Mr. Edwards is prohibited from holding himself out as a certificant and or using the CFP Certification Marks in all correspondence and representations of himself, pending recertification. Mr. Edwards shall be eligible to apply for recertification in accordance with FPSC's renewal procedures and timing five years from the date of this order. To qualify for recertification, Mr. Edwards must:
  - a) Successfully complete an FPSC-Approved Capstone Course; and
  - b) Successfully rewrite the CFP Examination.
3. Mr. Edwards shall pay costs to FPSC in the amount of \$3,000.00 which costs are due to FPSC 30 days from the date of this Order. FPSC and Mr. Edwards may reach an agreement with respect to a payment schedule.