



REPORT ON DISCIPLINARY ACTION

Details of Hearing: Frank Joseph Stolarz, CFP® (Head of St. Margarets Bay, NS)

On February 27, 2018, a Financial Planning Standards Council (FPSC®) Discipline Hearing Panel accepted a Joint Settlement Agreement between FPSC and Frank Joseph Stolarz, CFP® and Ordered that Mr. Stolarz's certification be suspended for a period of two months commencing July 1, 2018 and ending September 1, 2018.

Background

Mr. Stolarz was certified by FPSC as a CERTIFIED FINANCIAL PLANNER® professional in October 1996. He does not have a prior discipline history with FPSC.

In November 2016, as a result of a client complaint, Mr. Stolarz was sanctioned by a Mutual Fund Dealers Association of Canada (MFDA) Hearing Panel and, among other penalties, fined \$15,000.

Between August 2013 and July 2014, Mr. Stolarz acted on instructions from his client's spouse without consulting with his client or obtaining her approval/consent.

Applicable Standard

The underlying conduct occurred in 2013, and accordingly, was governed by the *Standards of Professional Responsibility for CFP® Professional and FPSC® Registered Candidates*, in effect from November 2011 to February 2014.

Admitted Conduct

In the Settlement Agreement with FPSC, Mr. Stolarz admitted, among other things, that:

- Processing increases to his client's monthly withdrawal plan based on instructions from her husband absent the client's authorization or knowledge is contrary to Principles 1, 2, 5, 7 and 8 of the *Code of Ethics*, and Rules 2 and 15 of the *Rules of Conduct*.
- Processing mutual fund switches in his client's account based on instructions received from her husband, without the client's authorization or knowledge is contrary to Principles 1, 2, 5, 7 and 8 of the *Code of Ethics*, and Rules 2 and 15 of the *Rules of Conduct*.

Mr. Stolarz further admitted that he failed to report the underlying client complaint and the review of his conduct by a regulator, to FPSC.

FPSC Hearing Panel Decision

The Hearing Panel determined that the Joint Settlement Agreement and proposed penalty were reasonable and should be accepted in accordance with Article 6.8 of the FPSC *Disciplinary Rules and Procedures*. In reaching this conclusion, the Hearing Panel noted, among other things, that:

- Mr. Stolarz is remorseful and has amended his practice to ensure the misconduct is not repeated;
- Mr. Stolarz cooperated with FPSC's investigation; and
- There was no pattern of misconduct.

The Panel accepted the joint proposed Penalty and on March 24, 2018, Ordered that:

- a. Mr. Stolarz's CFP certification and entitlement to use the CFP Certification Marks be suspended for a period of two (2) months commencing July 1, 2018 and ending September 1, 2018. During the suspension Mr. Stolarz shall cease to use the CFP Certification Marks and/or hold himself out as a CFP professional;
- b. Prior to December 31, 2018, in addition to completing the 25 hours of Continuing Education (CE) activities required of every FPSC certificant, Mr. Stolarz shall, at his own expense, successfully complete:
 - a. An additional two (2) hours of FPSC-accredited CE in the category of Professional Responsibility; and
 - b. An additional ten (10) hours of FPSC-accredited CE in the categories of Financial Planning and/or Practice Management;
- c. Mr. Stolarz shall provide proof of completion of the 37 hours of CE credits (25 hours + an additional 12 hours) requirements detailed in the paragraph above, to FPSC by December 31, 2018;
- d. Mr. Stolarz shall pay costs to FPSC of \$500, which are due to FPSC on or before June 1, 2018.