



REPORT ON DISCIPLINARY ACTION

Details of Hearing: Welsh, Donald Cameron (Brampton, ON)

On June 22, 2017, a Financial Planning Standards Council (FPSC®) Discipline Hearing Panel considered a Joint Settlement Agreement between FPSC and Donald Cameron Welsh, CFP®. Mr. Welsh was represented by legal counsel.

Background

Mr. Welsh was certified by FPSC as a *CERTIFIED FINANCIAL PLANNER®* in 1996.

In September 2014, Mr. Welsh entered a Settlement Agreement with a financial services regulator wherein he admitted, among other things, that: between December 2009 and November 2012, he falsified the initials of twelve clients on a total of thirteen Know Your Client (KYC) or New Account Application Forms; and amended six client KYC forms to reflect changes in his clients’ risk tolerances and added his clients’ initials confirming the changes, without their knowledge. Mr. Welsh was fined by the financial services regulator.

Applicable Standard

Mr. Welsh’s conduct occurred between 2009 and 2012. The *CFPTM Code of Ethics* was in force from April 2005 to November 2011. The *Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered Candidates* came into effect in November 2011 and remained in effect until September 2014.

Applicable provisions of the Code (2005 to 2011)	Applicable provisions of the Standards (2011 to 2014)
Rule 101 – A CFP professional shall not engage in or associate with conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement.	Rule 1 - A CFP professional shall not engage in or associate with conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
Rule 601 – A CFP professional shall not engage in any conduct that reflects adversely on his or her integrity or fitness as a CFP professional, upon the Marks, or upon the profession.	Rule 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.

Procedural History

FPSC’s Conduct Review Panel directed that the FPSC complaint in respect to of Mr. Welsh’s conduct as a CFP professional be referred to a Discipline Hearing Panel. An FPSC Discipline Hearing Panel first convened on January 15, 2016, to considered a proposed Joint Settlement Agreement between FPSC and Mr. Welsh. The Hearing Panel

rejected the proposed agreement and referred the matter to a new Hearing. Mr. Welsh indicated an intention to Appeal the Hearing Panel's decision and an Appeal Hearing was scheduled for June 17, 2016; however, the Appeal was ultimately deemed abandoned by Mr. Welsh. The Hearing ultimately proceeded on June 22, 2017.

FPSC Hearing Panel Decision

In executing the Settlement Agreement with FPSC, Mr. Welsh admitted that he engaged in professional misconduct by:

- Amending six client forms to reflect higher risk tolerances and applying his clients' initials without their knowledge or consent;
- Made misstatements to his employer, at the time, on two occasions in 2012 with respect to his conduct;
- Failed to act with integrity and engaged in conduct involving dishonesty which reflects adversely on his integrity or fitness as a CFP professional; and
- Breached Rules 101 and 601 of the *CFPTM Code of Ethics* and Rules 1 and 2 of the *Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered Candidates*, in effect at the relevant time.

The Hearing Panel determined that the Joint Settlement Agreement proposed by FPSC staff and Mr. Welsh was reasonable and should be accepted in accordance with Article 6.8 of the *FPSC Disciplinary Rules and Procedures*.

The Panel accepted the joint submissions with respect to Penalty and Ordered that:

- a. Mr. Welsh's right to use the CFP Certification Mark be suspended for a period of six (6) months commencing July 17, 2017 and ending January 17, 2018;
- b. During the six (6) month suspension detailed in paragraph (a) above, Mr. Welsh shall cease to use the CFP Certification Mark in all correspondence and representations of himself. Further, Mr. Welsh will not hold himself out to clients or the public as a CFP professional or certificant of FPSC;
- c. Prior to December 31, 2017, in addition to completing the 25 hours of Continuing Education (CE) activities required of every FPSC certificant, Mr. Welsh shall, at his own expense, successfully complete an additional:
 - a. One (1) hour of FPSC-accredited CE in the category of Professional Responsibility
 - b. Three (3) hours off FPSC-accredited CE in the categories of Financial Planning and/or Practice Management.
- d. Mr. Welsh shall provide proof of completion of the 25 hours of CE and the further CE requirements detailed above, to FPSC by December 31, 2017;
- e. Mr. Welsh shall pay costs to FPSC in the amount of \$3,000.00, which costs are due to FPSC on or before August 17, 2017;

- f. Having complied with the above-enumerated terms and having paid the recertification fee to FPSC, Mr. Welsh shall be eligible for recertification on January 17, 2018; and

The Panel noted that failure to comply with the terms of the Hearing Panel's Order will preclude Mr. Welsh from reinstating his CFP certification.

Update: July 25, 2017

Mr. Welsh has complied with paragraph e, above, and has satisfied the \$3,000 costs award.