



FP Canada Standards Council™

2020 Report

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About FP Canada

A national professional body working in the public interest, FP Canada is dedicated to championing better financial wellness for all Canadians by certifying professional financial planners and leading the advancement of professional financial planning in Canada.



About the FP Canada Standards Council

A division of FP Canada, the FP Canada Standards Council ("the Standards Council") establishes and enforces financial planning standards, sets the certification requirements for professional financial planners and develops and delivers certification exams. The Standards Council ensures FP Canada certificants—CERTIFIED FINANCIAL PLANNER® professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER™ professionals—meet appropriate standards of competence and professionalism through rigorous requirements of education, exam, experience and ethics.



Tashia Batstone, MBA, FCPA, FCA, ICD.D

Message from the President & CEO, FP Canada

It would be fair to say 2020 is a year we will not soon forget. The COVID-19 pandemic forced individuals, organizations and businesses to pivot in ways we could never have imagined prior to March 2020. Throughout the pandemic FP Canada continued to deliver on its mandate of championing financial wellness for all Canadians by continuing to maintain and enforce high standards for the financial planning profession.

The financial planning profession is at an important point in its evolution in Canada. Years of advocacy are finally making an impact as Ontario and Saskatchewan move closer to a new regulatory regime that will bring much-needed clarity and confidence to consumers, and establish rules that differentiate professional financial planners from individuals without the skills, competencies and professionalism that are core to professional financial planners. It is hard to overstate the importance of this development. As the new President & CEO, I look forward to working collaboratively with regulators and industry stakeholders so that the regulations help consumers in Ontario make more informed choices and serve as a model for other regions as they work to enact similar protections for all Canadians.

With the implementation of this new regulatory regime, the role of the FP Canada Standards Council will be more vital than ever. If the new regulations will help consumers differentiate a professional financial planner who is qualified, trained and committed to putting the client's interest first, it is the Standards Council that will ensure that all CERTIFIED FINANCIAL PLANNER professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER professionals abide by the high standards.

As you read through the report, you will learn how the Standards Council adapted to the challenging circumstances of the past year with purpose and continued to fulfil its mandate in the public interest.

As we prepare for life after the pandemic, Canadians now more than ever will need the advice of a trusted financial planner, certified by FP Canada, to help them build a brighter future, and the Standards Council will be working diligently to ensure the advice they receive from CFP® professionals and QAFP™ professionals will always put their best interests first. Now and in the future.



Damienne Lebrun-Reid, LL.B

Message from the Executive Director, Standards and Certification and Head, FP Canada Standards Council

A division of FP Canada, the FP Canada Standards Council sets, maintains and enforces professional standards for CFP professionals and QAFP professionals in Canada. The Standards Council ensures FP Canada certificants meet high standards of competence and professionalism through rigorous requirements of education, examination, experience and ethics.

The Standards Council is responsible for, among other things, protecting the public interest and the integrity of the financial planning profession by requiring CFP professionals and QAFP professionals to observe high professional and ethical standards. The certificants are also required to demonstrate the care, skill and diligence of a prudent professional, and are required to place the client's interests ahead of all others including their own.

The Standards Council continued to fulfil its mandate, despite the challenges during the year. We moved the work of panels, including hearing panels, online to reduce the impact of restrictions on in-person gatherings. The Standards Council also enhanced the enforcement approach to deliver greater transparency in the public interest.

In what was a series of firsts, the Standards Council held the November 2020 CFP exams over an extended three-day exam window, giving candidates flexibility, in addition to offering certification exams through remote proctoring for added accessibility and convenience. While the June 2020 certification exams were canceled, the Standards Council updated the annual exam cycle to add a third exam administration for the 2021-22 fiscal year.

Recognizing the challenges 2020 brought and the amount of work undertaken to adapt and respond to these challenges, I would like to thank the staff for their commitment and excellence in carrying out their responsibilities and their dedication to the public interest and high standards for the profession. I would also like to thank the hundreds of talented individuals who generously volunteered their time, serving on the various FP Canada panels and as item writers, mock exam writers and exam markers. Thank you for your contributions that enrich FP Canada in profound ways and help us deliver on our mandate, for the profession and for Canadians.



About FP Canada Standards Council

The FP Canada Standards Council is a division of FP Canada. Its mandate is to set, maintain and enforce financial planning standards that protect the public interest; thereby fostering trust in professional financial planners.

The Standards Council also sets the certification requirements for CERTIFIED FINANCIAL PLANNER professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER professionals and develops and delivers certification exams. It ensures that FP Canada certificants continue to meet the required standards of competence and professionalism through continuing education.

Independent Oversight

Three independent panels play a direct role in setting the standards of the profession and enforcing those standards: the Standards Panel, the Conduct Review Panel and the Hearing Panel Roster. The panels' membership reflects a breadth of practice experience, gender diversity and has national scope.



Delivering through Uncertainty

The Standards Council delivered on its mandate through 2020, overcoming significant challenges and uncertainty arising from the COVID-19 pandemic. To minimize any disruption to ongoing work, hearings, panels, item writing and exam marking transitioned to a fully virtual environment.

As a result of the COVID-19 pandemic, FP Canada had to cancel its certification exams in June 2020. Candidates for the November 2020 exams had the choice to write the exams either in-person or remotely through online proctoring. The CFP exam was held over three days, rather than the usual one day to give candidates added flexibility and access.



Guidance to the Profession

The Standards Panel published two guidance notices in November 2020.

- **Financial Planning Process: What Consumers Can Expect in a Financial Planning Engagement:** Provided guidance on the steps involved in creating a financial plan, the process certificants must follow, and what clients can expect in a financial planner agreement.
- **Documenting the Terms of Engagement:** Provided guidance to certificants and Canadians on the nature and scope of Terms of Engagement, a foundational document that establishes expectations for the client and the financial planner.

Set Professional Standards

FP Canada certificants are required to adhere to rigorous standards that are set and enforced by the FP Canada Standards Council.

The FP Canada Standards Council Standards of Professional Responsibility (the "Standards of Professional Responsibility") include four sets of standards:

Code of Ethics

- Embodies the standard of ethical conduct to which all FP Canada certificants must adhere

Rules of Conduct

- Provide specific guidance to FP Canada certificants on expected practice

Fitness Standards

- Detail the good character requirements for new and continued certification

Practice Standards

- Provide guidance on engaging in financial planning activities with clients

The Standards Panel oversees the standards of the profession, including the *FP Canada Standards Council Competency Profile* and the *Standards of Professional Responsibility*. The panel includes CFP professionals, one financial planner (Pl. Fin.) licensed in the province of Québec, and at least one public member.

The Panel also oversees the FP Canada Standards Council Projection Assumption Guidelines Committee which maintains and annually updates the Projection Assumption Guidelines. Since 2015, FP Canada and the Institut québécois de planification financière (IQPF) have jointly released unified Projection Assumption Guidelines, which support professional financial planners in making long-term planning projections that are free from potential biases or predispositions, and that are based on evidence and research. The Standards Council and IQPF published updated *Projection Assumption Guidelines* in April 2020.

Standards when Using Technology

The Standards Panel struck a Technology Working Group in 2019 to establish standards and set expectations for certificants' use of technology when providing financial planning services to clients. The working group surveyed certificants in October 2020 to gather input regarding uses of technology and digital tools and presented two new draft rules to the Standards Panel in late 2020. The draft Rules were released for stakeholder consultation in early 2021 and the final Rules of Conduct were approved by the Standards Panel in March 2021. The Rules came into effect July 1, 2021.



The rules state:

Rule 28:

When relying on or using technology in the financial planning process, a certificant:

- a. Must take reasonable proactive steps to gain a general understanding of the methodologies underlying the technology that have a direct impact on financial planning projections and recommendations;
- b. Must have an understanding of the financial assumptions underlying the technology that have a direct impact on financial planning projections and recommendations;
- c. Must validate that the inputs and assumptions used are reasonable and appropriate based on the client's circumstances; and
- d. Must validate that the outputs generated are reasonable and appropriate for the client before relying on them, or presenting the final recommendations or strategies to the client.

Rule 29:

In all cases, irrespective of the data used, the material assumptions used as well as the rationale must be documented, and clearly communicated to clients.

The new rules of conduct are accompanied by extensive guidance and should be read in conjunction with this guidance.

Set Certification Requirements

The Standards Council oversees the certification requirements for CERTIFIED FINANCIAL PLANNER professionals and QUALIFIED ASSOCIATE FINANCIAL PLANNER professionals, an intrinsic component of establishing and maintaining professional standards. It develops and delivers certification exams.

Exam Panels

The Standards Council has two independent Exam Panels, the CFP Exam Panel and the QAFP Exam Panel. The Exam Panels comprise CFP professionals from across Canada who have expertise in all areas of financial planning and represent all types of financial planning practice.

The Exam Panels' purpose is to ensure that:

- The certification exams sufficiently and appropriately assess the competence of candidates to certification by demonstrating the necessary knowledge, skills and abilities; and
- Individuals who are qualified receive a passing score and individuals who are not qualified receive a failing score.

Exam Panels review exam content prior to each administration to ensure alignment to the FP Canada Competency Profile and related Exam Blueprints. Each Exam Panel reviews the final results of their respective exam, ultimately approving the final pass mark for the exam. The Standards Council continued to engage exam development volunteers in high numbers through 2020 to create new exam cases and questions.

Exams in 2020

Following the cancellation of the June certification exams, FP Canada pivoted to deliver the November exams using a hybrid delivery model where candidates had the option to write the exam either at an in-person testing centre (subject to provincial health restrictions) or remotely, through online proctoring from a secure location of the candidate's choosing. Additionally, the CFP exam was offered over three days, a shift from the single day format, for added flexibility to candidates.

Changes to Exam Administration

FP Canada announced that it is offering three exam administrations in fiscal 2021/22 – May 2021, October 2021 and February 2022. The number of annual exam sittings will be reviewed each fiscal year with consideration to factors such as candidate volumes.

FP Canada Certification Exams

In 2020, 988 candidates attempted FP Canada exams
878 wrote the CFP exam and 110 wrote the inaugural QAFP exam

749	239
wrote via online proctoring	took the exam at an in-person test centre



CERTIFIED FINANCIAL PLANNER Certification

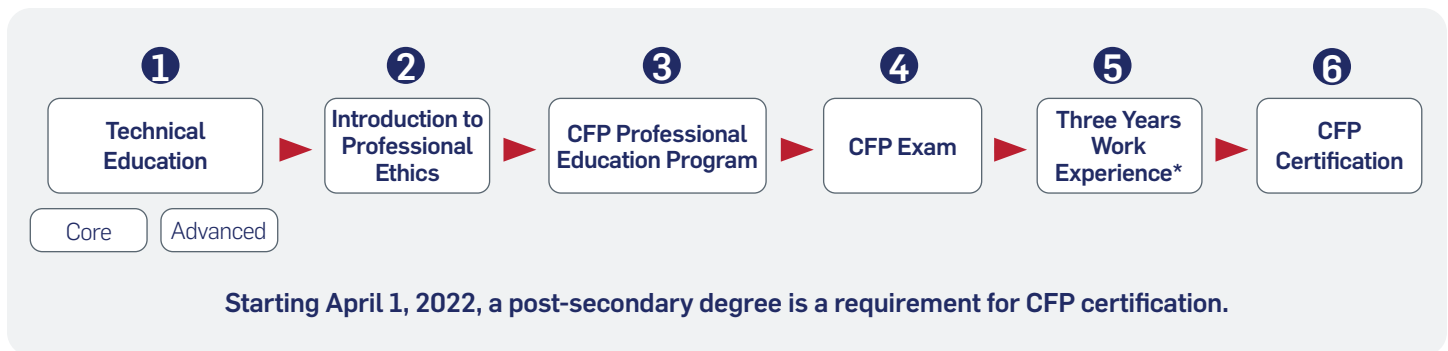


CFP certification is the world's most recognized financial planning designation and is considered the 'gold standard' for the profession. CFP professionals have demonstrated the knowledge, skills, experience and ethics to see their clients' entire financial picture at the highest level of complexity required of the profession, and work with their clients to build a comprehensive financial plan so that they can **live life confidently**.

To obtain CFP certification, candidates must complete a rigorous education program, pass a national exam and demonstrate three years of qualifying work experience.

FP Canada offers alternate paths to CFP certification to candidates with the following credentials:

- Relevant Professional Qualifications • PL. Fin • Foreign CFP Professionals



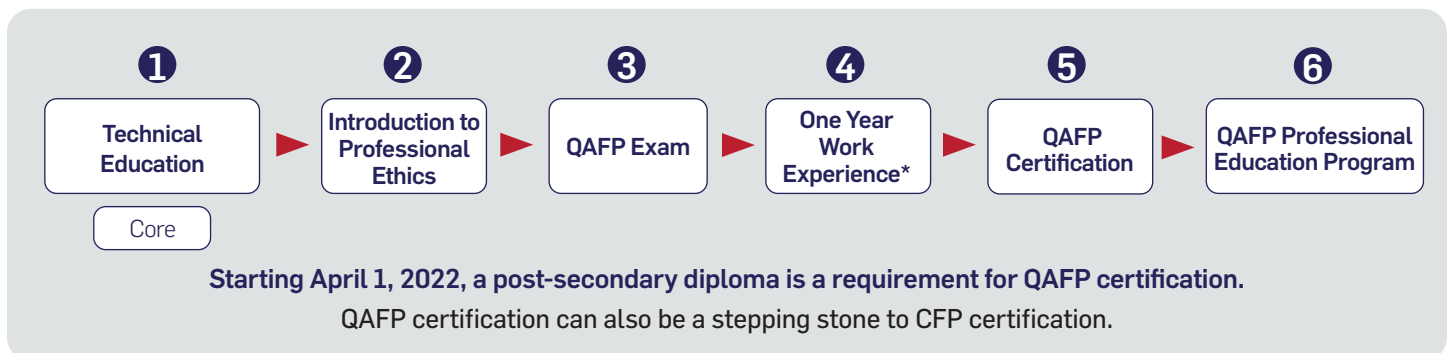
QUALIFIED ASSOCIATE FINANCIAL PLANNER Certification



QAFP certification is a great way to start a career in financial planning. QAFP professionals have demonstrated the knowledge, skills, experience and ethics to understand their clients' everyday financial planning needs and offer professional financial planning advice that fits their diverse lives and supports their goals. **This is where confidence begins.**

To obtain QAFP certification, candidates must complete a comprehensive education program, pass a national exam and demonstrate one year of qualifying work experience.

FP Canada offers an alternate path to QAFP certification to candidates with relevant professional qualifications.





Maintain Professional Standards

Continuing Education Requirements

By setting standards that relate to continuing education (CE), the Standards Council ensures that FP Canada certificants continue to meet the required standards of competence and professionalism.

FP Canada's continuing education requirements are designed to support certificants' ongoing professional development to meet a wide range of client needs. CE requirements include the following five categories:

- Financial Planning
- Professional Responsibility
- Practice Management
- Product Knowledge
- Giving Back

To ensure their knowledge and competence remain current, all FP Canada certificants must meet the following annual CE requirements to maintain certification:

Breakdown by category	 CFP Professionals 25			QAFP QAFP Professionals 12		
	Minimum Annual Credits	Maximum Annual Credits	Carry-Over Permitted to Next Calendar Year	Minimum Annual Credits	Maximum Annual Credits	Carry-Over Permitted to Next Calendar Year
Financial Planning	10	Unlimited	25	7	Unlimited	12
Professional Responsibility	2	Unlimited	No*	1	Unlimited	No*
Practice Management	No minimum	5	No	No minimum	5 combined for two categories unlimited	No
Product Knowledge	No minimum	5	No	No minimum		No
Giving Back	No minimum	Unlimited	13	No minimum		4

* Additional credits in the Professional Responsibility category may be applied under the Financial Planning category

CE Audit Results

73%

of CFP professionals selected for audit met or exceeded their CE requirements in 2020.

Individuals who were found to be missing CE credits as a result of the audit were notified and afforded an opportunity to complete the missing credits.

The Professional Responsibility requirement enhances understanding of professional and ethical duties and suggests approaches to identify and address common ethical dilemmas and challenges.

FP Canada develops and directly delivers CE in the category of Professional Responsibility, including a two hour annual Ethics Session delivered each November during Financial Planning Week. Ethics session topics in the past have addressed: Powers of Attorney for Property; Dealing with Clients with Dementia; Dealing with Clients with Mental Health Challenges; and Conflicts of Interests, including in Joint Engagements.

FP Canada CE Audits

FP Canada certificants are subject to random audits to ensure compliance with CE requirements. Certificants who do not meet these requirements may be denied renewal of their certification, pending proof that they have completed any CE credits that are outstanding.



Enforce Professional Standards

The Standards Council works to ensure that the public interest is protected and all certificants meet or exceed the rigorous standards expected of them. Ensuring adherence to these standards protects both the Canadian public and the reputation of the financial planning profession.

Six Guiding Principles inform every aspect of the complaint, review and enforcement process:

- | | |
|------------------|-----------------|
| 1. Fairness | 4. Transparency |
| 2. Effectiveness | 5. Consistency |
| 3. Objectivity | 6. Timeliness |

Policies and procedures relevant to the Standards Council's complaint, review and discipline process are published and accessible to certificants and members of the public on FP Canada's website. The Standards Council is committed to a process that is transparent and reflects fairness to the certificant whose conduct comes under review.

Feedback

The Standards Council focuses on ensuring the process of enforcement is fair, thorough and gives complainants and respondents a full opportunity to prepare and present their case. During 2020, the Standards Council received the following feedback, among other, from complainants:

Enforcement by the Numbers

66 Complaints Received

- 13 Public Complaints
- 48 Complaints Initiated by the Standards Council
- 5 Presumptive Bar / Fitness for Certification

23 Complaints Referred to Conduct Review Panel

13 Complaints Referred to Discipline Hearing Panel

11 Discipline Hearings Held

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“ Thank you so much for listening to me and validating what happened to me. I am so appreciative of your thoroughness, competence and your compassion. I am especially grateful for the kindness and care and time you had for me when I was finding this process particularly difficult.”

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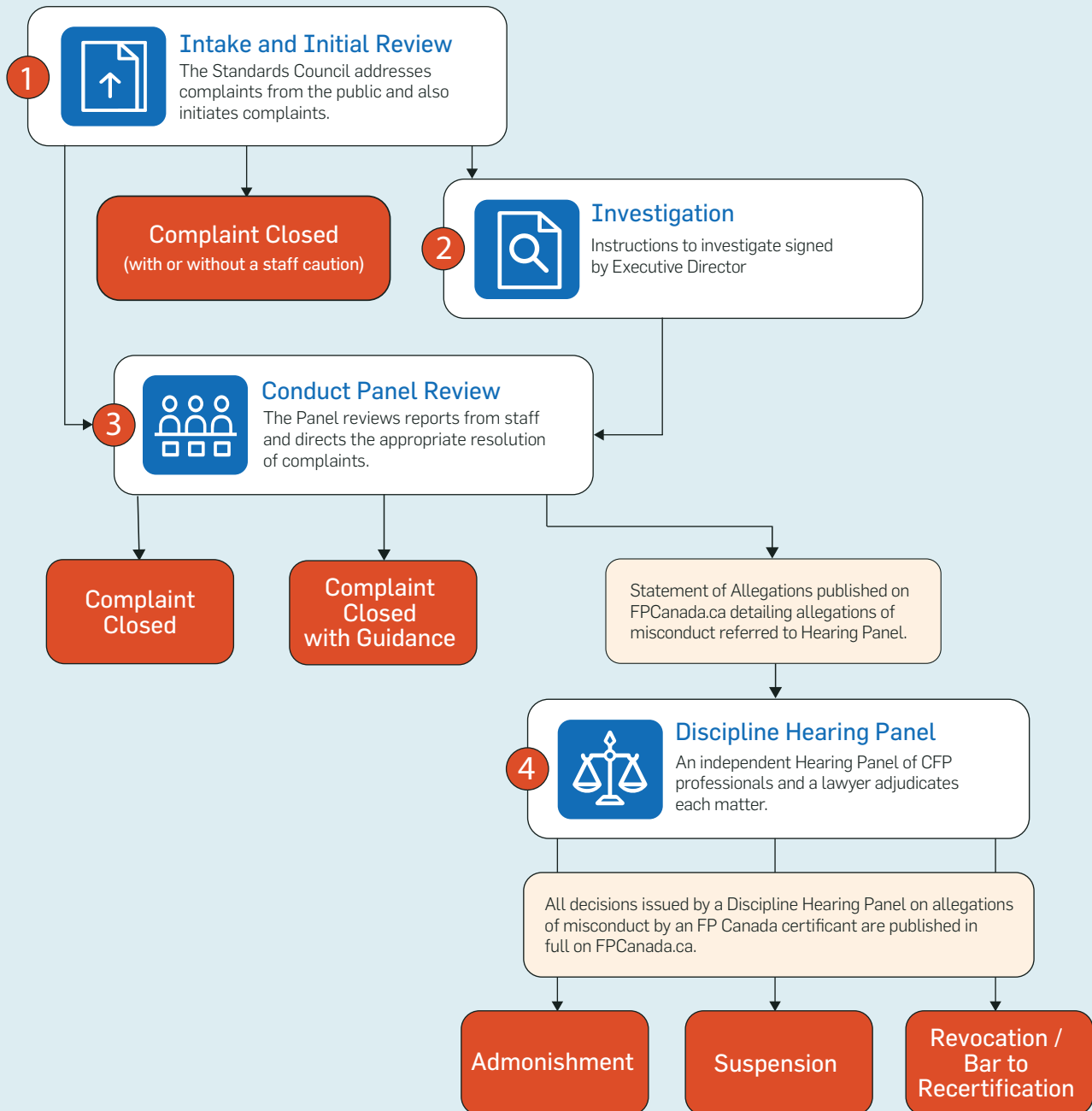
“ My work in providing information and documents to the investigator and her interview of the complainant have impressed me.”

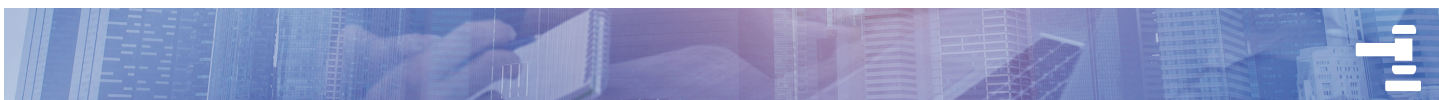
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Enforcement Process

The enforcement process encompasses four functions:

- 1 Intake and Initial Review
- 2 Investigation
- 3 Conduct Panel Review
- 4 Discipline Hearing Panel





1 Intake and Initial Review

The Standards Council addresses complaints from the public and also initiates complaints. Complaints initiated by the Standards Council may originate with self-reports from FP Canada certificants, regulatory notices, to agreements with regulatory bodies and media releases.

A presumptive bar to continued certification may come to the attention of FP Canada as a result of a self-report by an FP Canada certificant (in accordance with the professional obligations to report) or by the Standards Council identifying a triggering circumstance. FP Canada proactively monitors a number of regulatory feeds.

All complaints are subject to an initial assessment to determine if the complaint raises allegations that, if shown to be true, may demonstrate a potential violation of the Standards of Professional Responsibility.

2020 Complaint Allegations





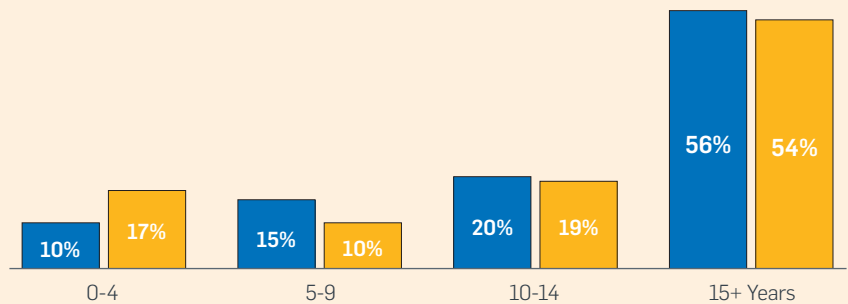
Top Five Public Complaint Allegations

2020	2019
Client First (21%)	Diligence (21%)
Personal Conduct - Other (21%)	Forgery/Falsification (21%)
Client Service (16%)	Suitability (11%)
Misleading (11%)	Duty of Loyalty (11%)
Diligence (11%)	Professionalism (8%)

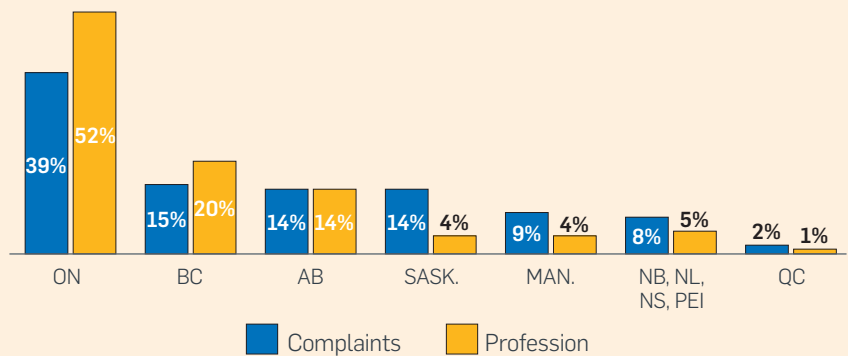
Top Five Complaint Allegations Initiated by the Standards Council

2020	2019
Diligence (20%)	Suitability (22%)
Integrity (15%)	Financial Planning Advice (22%)
Forgery/Falsification (15%)	Duty of Loyalty (15%)
Client First (9%)	Borrowing to Invest (11%)
Personal Conduct - Other (8%)	Client Service Failure (7%)

Subject of Complaint: Years Certified



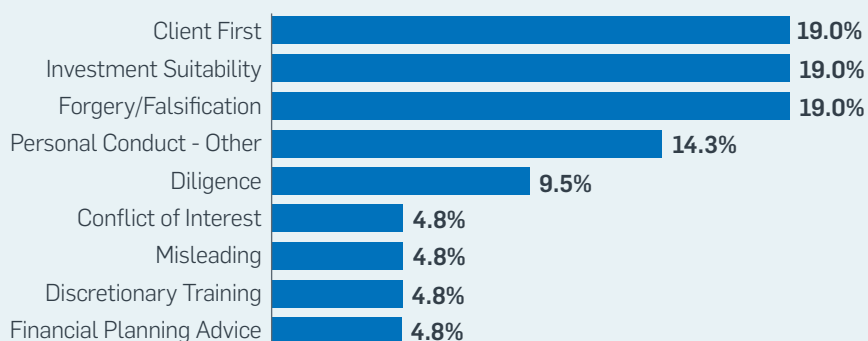
Subject of Complaint: Geographic Region



2 Investigation

Following the Initial Review process, the Executive Director determines if there are sufficient grounds to commence an investigation. If an investigation is instructed, Investigators then gather information, including through interviews with witnesses. The certificant who is the subject of the complaint is notified and invited to respond to the complaint.

Investigations Instructed in 2020: Complaints



Interim Suspensions

In exceptional circumstances, the Standards Council staff can obtain interim suspensions at the investigation stage to protect the public. In these cases, the certificant's record on the Find Your Planner Tool on the FP Canada website is updated to reflect the interim suspension.

Rule 33:

An FP Canada certificant shall reply promptly and completely to any communication from FP Canada or the FP Canada Standards Council in which a response is requested.

Rule 34:

An FP Canada certificant shall cooperate fully with an FP Canada Standards Council investigation of a complaint unless legally prevented from doing so. This rule applies equally to current or former certificants.

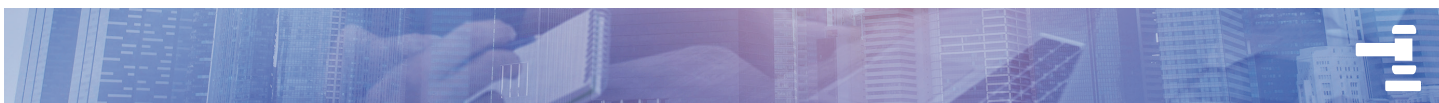
Duty to Cooperate

If a certificant fails to respond to the Standards Council's communications or to cooperate with an investigation, the Executive Director may refer the matter directly to a Hearing Panel on the allegation that the certificant failed to cooperate. A Hearing Panel finding that the certificant failed to cooperate may ultimately result in the revocation of their certification.

Exam Misconduct Matters

FP Canada takes the integrity of its exam process very seriously. In 2020, there were two cases involving alleged misconduct by candidates during exams. The cases were referred to Discipline Hearing Panels which found, amongst other things, that the candidates had communicated during the exam. The candidates were sanctioned for their conduct.

Although these cases were not published in accordance with the publication procedures applicable at the time, future cases of exam misconduct will be published on an anonymous basis, in accordance with Disciplinary Procedures for Exam Misconduct, which came into effect September 1, 2020.



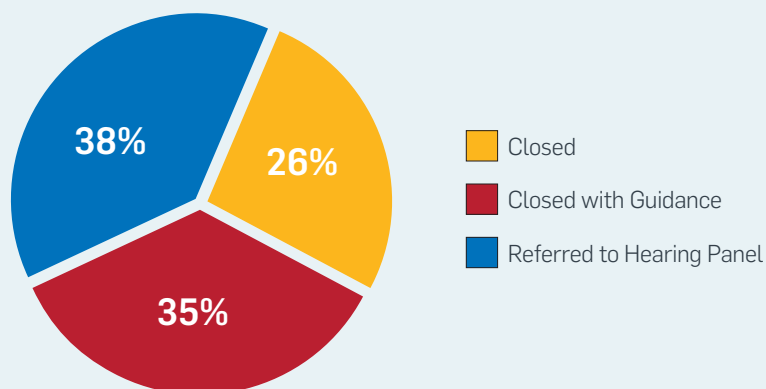
3 Conduct Review Panel

The Conduct Review Panel, an independent panel composed of CFP professionals, one PL. Fin., and at least one public member, reviews staff reports and directs the appropriate settlement of complaints in the public interest.

The Conduct Review Panel can:

1. Dismiss the matter;
2. Dismiss the matter with a letter of Guidance and Advice; or
3. Refer the matter to a Disciplinary Hearing Panel.

Conduct Panel Review Outcomes 2020



In 2020, Guidance and Advice was issued in the following areas:

- Failure to act with integrity, fairness and/or professionalism;
- Failure to act in the client's best interests;
- Using personal and/or confidential client information without the written and informed consent of the clients;
- Failure to perform due diligence; and
- Failure to perform financial planning in accordance with applicable laws, regulations, rules or established policies of governmental agencies and other applicable authorities.

FP Canada posts anonymized guidance letters on its website to remind certificants and to inform the public about the expected level of professional conduct.

4 Disciplinary Hearings

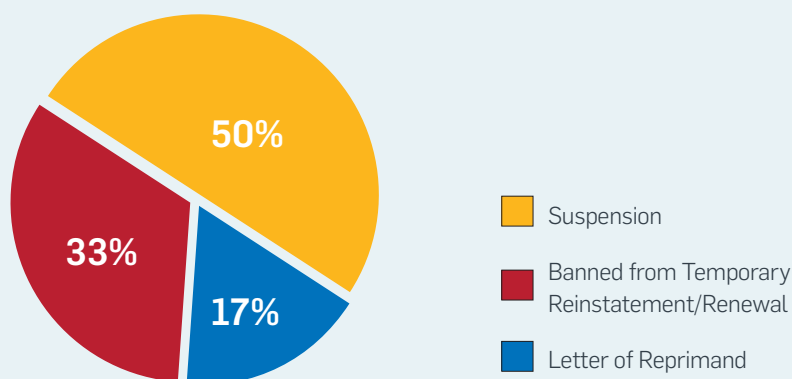
The Discipline Hearing Panel Roster is composed of CFP professionals and lawyers with diverse experience in compliance and professional discipline. Members come from across the country.

Certificants subject to a hearing are invited to participate in the hearing process. They may challenge the allegations before the Hearing Panel and submit written and/or oral evidence either directly or with the assistance of counsel. When there is a finding of misconduct, discipline sanctions range from a Letter of Reprimand to Suspension or Revocation future certification or bar to future certification.

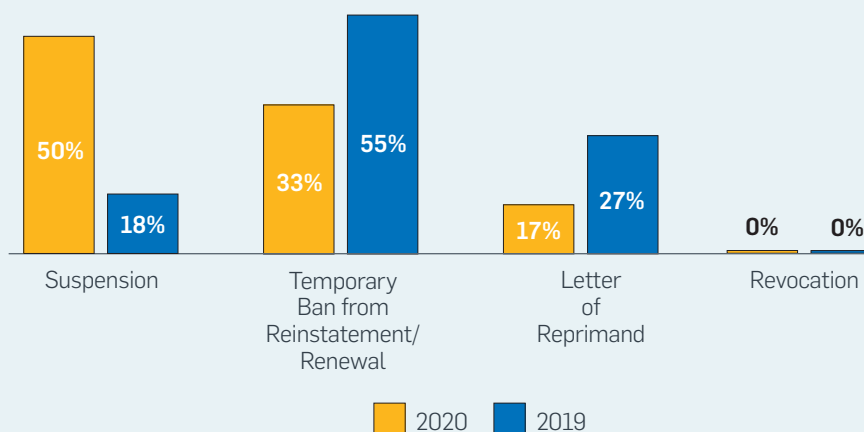
Enhanced Enforcement

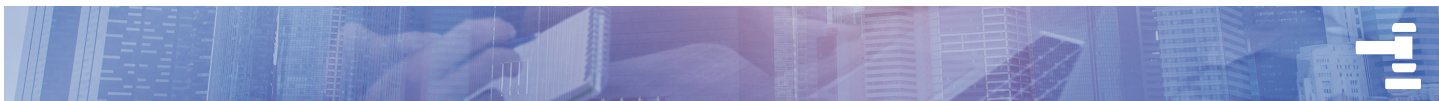
For greater transparency, the Standards Council enhanced the process of publishing full decisions released by Hearing Panels. Effective September 1, 2020, all decisions issued by a Hearing Panel or Appeal Panel are published on FP Canada's website in full. Previously only a summary of the decision was posted. A certificant's disciplinary history is linked to the Find Your Planner tool. FP Canada also maintains a publicly accessible, historically searchable database.

Hearing Panel Outcomes 2020



Comparison of Hearing Panel Penalty Outcomes Issued between 2020 and 2019





Key Discipline Hearing Panel Decisions Released in 2020

Conduct that resulted in a letter of reprimand:

- Instructing a client to sign on behalf of their estranged spouse on two Registered Education Savings Plans (RESP) withdrawal forms and signing their own name in the agent section, knowing they were not the agent of record.

Conduct that resulted in suspension of certification:

- Recommending alternative investment products—to two clients—that were not appropriate for them, and without fully understanding the products; and making monthly deposits from their personal funds into the bank account of clients.
- Making unsuitable recommendations, disregarding direction from superiors and proceeding to invest the funds of an elderly client into unsuitable investment products.
- Misrepresenting client instructions and processing two redemptions based on email instructions and then falsely representing that they had spoken with the client by telephone and confirmed the client's instructions, when they had not spoken to the client.

Conduct that resulted in a prohibition on certification or renewal:

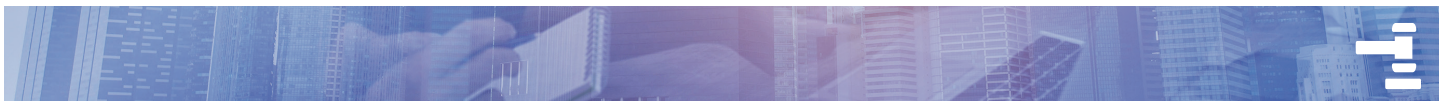
- Making recommendations and implementing strategies that were inappropriate given the client's circumstances and failing to obtain written instructions prior to implementing the investment strategies.
- Failing to exercise reasonable and prudent professional judgement in providing financial planning services, failing to recommend and implement only those strategies that were prudent and appropriate for their clients and failing to provide an accurate and understandable description of the compensation arrangements to their clients.

Continuing education and remedial orders:

In many instances, Hearing Panels included a requirement that the certificant take additional continuing education courses. The courses range from professionalism/ethics courses offered by the FP Canada Institute™, to financial planning and practice management continuing education programs. In one instance, the Hearing Panel ordered that a certificant complete, at their own expense, a course focused on the financial wellbeing of aging investors. These opportunities are designed to support remediation and reduce repeated misconduct through education.



Disciplinary Action Reports are published on the FP Canada website. **Go to Canadian Public and click on 'Disciplinary Actions'**



Selected Case Highlights

Case of Note

In the matter of *FP Canada Standards Council™ and Mo Movassaghi*, in addition to considering serious allegations of misconduct made by a former client, the Hearing Panel was required to consider allegations of bias made by Mr. Movassaghi against the Hearing Panel as well as multiple adjournment requests.

During the course of the discipline proceedings, the certificant raised an allegation of bias alleging that the Hearing Panel was biased in FP Canada's favour on the grounds that, amongst other things, they were paid by FP Canada. The Hearing panel addressed these allegations, highlighting their independence from FP Canada including that they are unpaid volunteers.

Mr. Movassaghi sought to adjourn the hearing pending the outcome of a discipline hearing being conducted by another financial regulator. The Hearing Panel denied Mr. Movassaghi's requests and found:

The [Financial Services Regulator] is a different regulatory body than FP Canada, operating under different rules, and with similar but different objectives. We cannot pause our proceedings to wait for evidence to come from their proceedings any more than they can pause their proceedings to wait for evidence to come from ours. If it were otherwise, proceedings would be delayed, as each regulatory body waited for a different regulatory body to complete its work before completing their own.



Read the full
Disciplinary Action Report

The Hearing Panel found that Mr. Movassaghi engaged in professional misconduct, including that he:

- forged his client's signature on several account transfer documents as well as on other account forms;
- falsified trading instructions and supporting notes;
- failed to recommend and implement only those strategies that were prudent and appropriate for his client by failing to ensure that she was invested in funds that were consistent with her actual risk tolerance and investment profile;
- failed to disclose the conflict of interest to his client arising from the fact that he was both her landlord and her financial planner; and
- failed to obtain his client's written consent to continue managing her investments notwithstanding the conflict of interest.

The Hearing Panel ordered that Mr. Movassaghi be permanently banned from seeking renewal or reinstatement of any certification with FP Canada and using the CFP certification marks and/or holding himself out as a CFP Certificant; and he was ordered to pay costs.



Read the full
Disciplinary Action Report

Another matter involving the falsification of documents involved *FP Canada Standards Council™ and Barbara Allen, CFP®*, who instructed a client to sign both the client's name and the client's estranged spouse's name on two Registered Education Savings Plans (RESP) withdrawal forms, knowing the client was estranged from her spouse and absent the estranged spouse's knowledge or consent. She also signed her name in the agent section knowing that she was not the agent of record. The Hearing Panel accepted a Joint Settlement Agreement and ordered that Ms. Allen receive a Letter of Admonishment; that she successfully complete, at her own expense, the Introduction to Professional Ethics (IPE) course and additional Continuing Education (CE) credits in the area of Practice Management; and that she pay the costs.

Unsuitable Recommendations

Hearing Panels were concerned with conduct whereby certificants did not provide diligent financial planning services after failing to consider their clients' needs and circumstances.



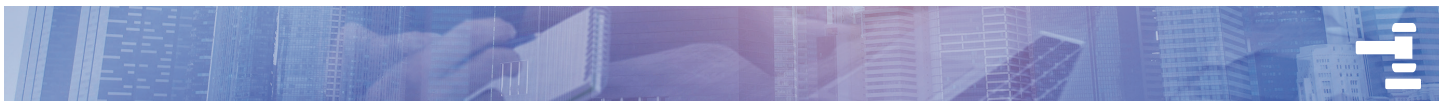
Read the Disciplinary
Action Summary

In the matter of *FP Canada Standards Council™ and Richard P. Harvey, CFP®*, the Standards Council received a complaint from a married couple who had engaged Mr. Harvey's services as a financial planner. The complainants alleged that Mr. Harvey made unsuitable recommendations and provided inappropriate advice, including recommending leveraged loans totalling \$300,000 and recommending and implementing critical insurance with annual premiums of approximately \$10,000 which they paid using leveraged funds, notwithstanding their limited cashflow. The Hearing Panel accepted a Joint Settlement Agreement whereby Mr. Harvey admitted, amongst other things, that he failed to exercise reasonable and prudent professional judgement in providing financial planning and failed to recommend and implement only those strategies that were prudent and appropriate for his clients. In addition to costs, the Hearing Panel ordered that Mr. Harvey be banned from seeking renewal or reinstatement of any certification with FP Canada for a period of nine (9) months and that prior to renewing his certification, he complete the CE required during the lapsed period, the IPE course as well as additional hours of CE in the category of financial planning.



Read the full
Disciplinary Action Report

In the matter of *FP Canada Standards Council™ and Richard Patrick Lumbers CFP®*, Mr. Lumbers made unsuitable recommendations by investing the funds of an elderly client (92 years old) into products which were subject to a seven-year deferred sales charge (DSC) schedule. He also disregarded direction from his manager regarding the allocation of the client's funds which resulted in 89% of her available assets being placed in funds subject to DSC fees. The Hearing Panel accepted a Joint Settlement Agreement whereby Mr. Lumbers admitted, amongst other things, that he failed to act with integrity, and he failed to exercise reasonable and prudent professional judgement in providing financial planning. In addition to costs, the Hearing Panel ordered that Mr. Lumbers' certification and entitlement to use the marks be suspended for a period of six (6) months and that he successfully complete, at his own expense, additional CE credits in the area of financial planning as well as a course offered by his employer relating to aging investors.



Trademarks

FP Canada believes that everyone who promotes to the public that they are a financial planner should be required to meet strict competency and ethics standards. Only by meeting these rigorous standards are those certified by FP Canada permitted to use the registered certification marks.

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In 2020, there were 308 trademarks violations, of which 267 were resolved. Of the 308 violations, 304 were for former CFP professionals who did not renew their certification for 2020/2021 and failed to remove the trademarks from their websites, social media sites or otherwise; thereby misleading the public regarding their certification status. Four individuals whose breaches were not related to non-renewal of certification in March 2020, were brought to FP Canada's attention by members of the public or through internet searches conducted by staff.





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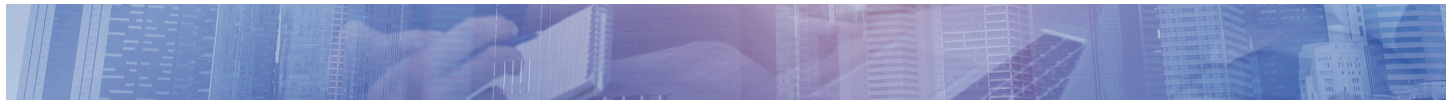
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