



## REPORT ON DISCIPLINARY ACTION

### Details of Hearing: Peter Raymond McLaughlin, CFP® (Ottawa, ON)

On July 3, 2018, a Financial Planning Standards Council (FPSC®) Discipline Hearing Panel found Peter Raymond McLaughlin, CFP® breached the *Standards of Professional Responsibility for CFP Professionals and FPSC Level 1® Certificants in Financial Planning* (the “*Standards of Professional Responsibility*”). On September 14, 2018, FPSC’s Hearing Panel ordered, among other penalties, a suspension of Mr. McLaughlin’s CFP certification for a period of six (6) months, from September 14, 2018 to March 14, 2019.

### Background

Mr. McLaughlin was certified by FPSC as a CERTIFIED FINANCIAL PLANNER® professional in August 2003. He does not have a prior discipline history with FPSC.

In April 2016, FPSC received a public complaint from, a couple, former clients of Mr. McLaughlin. The complainants alleged that Mr. McLaughlin failed to provide appropriate financial planning advice by failing to consider tax implications of a recommended strategy. The complainants incurred an unexpected tax liability of approximately \$30,000 for the 2015 tax year as a result of Mr. McLaughlin’s alleged failure to advise the complainants of the amount of the capital gains triggered by the recommended transfer. Mr. McLaughlin failed to review information provided by the complainants and to discuss the tax implications and/or to consider or discuss strategies to mitigate the tax liability.

### Applicable Standard

The underlying conduct occurred in 2015 and was, accordingly, governed by the *Standards of Professional Responsibility*.

### Underlying Conduct

FPSC’s Hearing Panel found that, among other things, Mr. McLaughlin:

- Failed to exercise reasonable and prudent professional judgment in providing financial planning, as Mr. McLaughlin failed to complete any calculations to determine the capital gains that would be incurred, contrary to Rule 15 of the *Rules of Conduct*;
- Failed to maintain and/or demonstrate the require knowledge, competencies and diligence expected of a CFP professional, contrary to Principles 4 and 7 of the *Code of Ethics*, and Rule 19 of the *Rules of Conduct*; and
- Failed to place his client’s interests first, contrary to Principle 1 of the *Code of Ethics*.

## FPSC Hearing Panel Decision

The Hearing Panel considered written submissions by FPSC and Mr. McLaughlin, and in accordance with Article 7.1 of the *Disciplinary Rules and Procedures*, on July 3, 2018, found that Mr. McLaughlin engaged in professional misconduct by:

- a. Breaching Principles 1, 4 and 7 of the *Code of Ethics*; and
- b. Breaching Rules 15 and 19 of the *Rules of Conduct*.

On September 14, 2018, the Hearing Panel Ordered that:

- a. Mr. McLaughlin's certification and entitlement to use the CFP marks shall be suspended for a period of six (6) months, from September 14, 2018 to March 14, 2019. During the suspension, Mr. McLaughlin shall cease to use the CFP marks and/or hold himself out as a CFP professional;
- b. In addition to completing the annual required twenty-five (25) hours of Continuing Education (CE) activities required of every FPSC certificant, Mr. McLaughlin shall, at his own expense, successfully complete:
  - i. An additional two (2) hours of FPSC-accredited CE in the category of Professional Responsibility;
  - ii. An additional eight (8) hours of FPSC-accredited CE in the category of Financial Planning;
- c. Mr. McLaughlin shall provide proof of completion of the 35 hours of CE credits (25 hours plus an additional ten (10) hours) to FPSC;
- d. Mr. McLaughlin shall pay costs to FPSC in the amount of \$5,000, which costs are due to FPSC on or before March 13, 2019; and
- e. Mr. McLaughlin shall provide proof of compliance of the CE credits, and pay the costs ordered, as preconditions to recertification with FPSC.