

# REPORT ON DISCIPLINARY ACTION

## Details of Hearing: Gregory P. Cameron (Surrey, BC)

On October 25, 2021, a Discipline Hearing Panel (the “Panel”) of the FP Canada Standards Council™ (the “Standards Council”) accepted a Joint Settlement Agreement between the Standards Council and Gregory P. Cameron. The Panel ordered that Mr. Cameron be permanently banned from seeking renewal or reinstatement of any certification with FP Canada and permanently banned from using the CFP® certification marks. The Panel also ordered that Mr. Cameron pay costs to FP Canada™.

## Background

Mr. Cameron was certified by the Financial Planning Standards Council®, now FP Canada, as a CERTIFIED FINANCIAL PLANNER® professional between January 1, 1999 and March 31, 2018. Mr. Cameron elected not to renew his certification in March 2018. Mr. Cameron does not have a disciplinary history with FP Canada.

Between January 5, 2010 and February 7, 2018, Mr. Cameron was the Ultimate Designated Person of Chartwell Asset Management (“CAM”). CAM was the manager of a portfolio of mutual funds collectively referred to as the “Magna Funds”. Mr. Cameron substantially owned, operated, and controlled both CAM and the Magna Funds. As of February 2018, CAM is no longer registered in any jurisdiction.

Between September 2017 and December 2018, the Standards Council received five (5) public complaints (involving seven (7) of Mr. Cameron’s clients), relating to their investments in the Magna Funds, which investments were recommended by Mr. Cameron. The Complainants, who were all classified as low risk investors, alleged, amongst other things, that Mr. Cameron placed them into unsuitable investments without adequately disclosing the level of risks of the investments and the increasing level of risk of the funds over time. The Complainants maintained that, as a result of Mr. Cameron’s advice, they lost the majority of their retirement savings.

## Admitted Conduct

In a Settlement Agreement with the Standards Council, Mr. Cameron admitted, and the Hearing Panel found, that he:

- a) failed to recommend only those strategies that were prudent and appropriate for at least seven (7) of his clients, in that he recommended strategies to these clients whose objectives, personal circumstances and investment knowledge did not support such strategies; and
- b) he failed to adequately disclose the level of risks investing in a portfolio of mutual funds (the Magna Funds) and the increasing level of risk of these investments over time, to at least seven (7) of his clients.

The Panel was of the view that a permanent ban was justified given the “numerous and serious aggravating factors that exist in this case”, including the following:

- The misconduct was serious and resulted in significant financial losses to the Complainants totalling approximately \$1 million;
- At the time of the recommendations, all of the Complainants were nearing retirement or already retired and had identified the funds as their primary source of savings. As a result, the impact of their monetary losses was significant and several of the Complainants had to continue to work well into their retirement and suffered both physical and mental health problems;
- Mr. Cameron was an experienced financial planner and he ought to have understood his professional obligations to the Complainants; and
- Mr. Cameron’s cooperation during the investigation was limited.

The Panel also noted the following mitigating factors:

- Mr. Cameron entered into a Settlement Agreement;
- Mr. Cameron did not have a prior discipline history with the Standards Council;
- Mr. Cameron has acknowledged that his actions may have reflected negatively on the financial planning profession; and
- Mr. Cameron no longer works in a client-facing role as a financial planner and CAM is no longer registered in any jurisdiction.

### **FP Canada Standards Council Hearing Panel Decision**

The Panel determined that the Joint Settlement Agreement and proposed penalty were reasonable and should be accepted in accordance with Article 8.2 of the *Disciplinary Rules and Procedures*. The Hearing Panel accepted the joint proposed penalty and, on October 25, 2021 ordered that:

- Mr. Cameron be permanently banned from seeking renewal or reinstatement of his CFP or any other certification with FP Canada effective immediately;
- Mr. Cameron be permanently banned from using the certification marks and/or holding himself out as a Certificant; and
- Mr. Cameron shall pay costs to FP Canada in the amount of \$20,000 as follows:
  - \$10,000 immediately upon execution of this Settlement Agreement; and
  - \$10,000 within 30 days of the execution of this Settlement Agreement.

All costs have been paid by Mr. Cameron.

## **DISCIPLINARY HEARING DECISION AND REASONS**

*IN THE MATTER OF FP CANADA STANDARDS COUNCIL™  
AND  
GREGORY P. CAMERON*

Heard in writing: October 13, 2021

Date of decision: October 25, 2021 (corrected November 8, 2021)

Hearing Panel: **FP Canada Standards Council Discipline Hearing Panel**  
Karen Manarin, Chair of the Hearing Panel  
Jeff Lightheart, CFP®  
Timothy Bertrand, CFP®

Tamara Center, for FP Canada Standards Council  
Mark Skorah, Q.C., for Gregory P. Cameron  
Erica Richler, Independent Legal Counsel to the Hearing Panel  
Jignasa Patel, Secretary to the Hearing Panel

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1. The FP Canada Standards Council Discipline Hearing Panel (the “Panel”) held a written hearing to consider allegations of misconduct against Gregory P. Cameron (the “Respondent”). The Panel considered the Joint Settlement Agreement filed by the parties, as well as the parties’ joint submissions.
2. The case involves the Respondent’s conduct while he operated his financial planning business in British Columbia through Chartwell Financial Group. Mr. Cameron also substantially owned, operated and controlled Chartwell Asset Management (“CAM”) which was registered as a Portfolio Manager and an Exempt Market Dealer. CAM was the manager of a portfolio of mutual funds collectively referred to as the “Magna Funds”. Between January 5, 2010 and February 7, 2018, Mr. Cameron was the Ultimate Designated Person (“UDP”) of CAM. The allegations that are the subject of the Joint Settlement Agreement filed by the parties involve Mr. Cameron’s failure to recommend strategies that were prudent and appropriate for his clients and that Mr. Cameron failed to adequately disclose the level of risks of the Magna Funds.
3. The allegations against the Respondent were set out in the Request for Hearing Panel filed April 3, 2020 as follows:
  - a. Between 2008 and February 2017, the Respondent, failed to exercise reasonable and prudent professional judgment and failed to recommend only those strategies that were

prudent and appropriate for at least seven (7) of his clients, in that he recommended strategies to these clients whose objectives, personal circumstances and investment knowledge did not support such strategies, contrary to Principles 1, 2, 4 and 6 and Rules 201, 202, 601 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Principles 1, 2, 3, 5, and 8 and Rules 2, 15 and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017;

- b. Between 2008 and February 2017, the Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly made a false or misleading statement to clients, in that he failed to adequately disclose and misrepresented the level of risks of investing in a portfolio of mutual funds (the "Magna Funds"), and the increasing level of risk of these investments over time, to at least seven (7) of his clients, contrary to Principles 1, 2, 4 and 6 and Rules 101, 201, 202, 601 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Principles 1, 2, 3, 5 and 8 and Rules 1, 2, 15 and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017;
- c. Between 2008 and February 2017, the Respondent acted in a conflict of interest and failed to make written disclosure of the conflict to at least seven (7) of his clients in that he recommended investing in the Magna Funds, which funds were managed by Chartwell Asset Management ("CAM"), both of which were substantially owned, operated, and controlled by the Respondent, contrary to Principles 1 and 4 and Rules 202 and 401 of the *Code of Ethics* in force between April 2005 and October 2011, and Principles 1, 2 and 5 and Rules 2 and 8 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017; and
- d. Between June 2015 and February 2017, the Respondent acted in a conflict of interest with respect to at least seven (7) of his clients in that he failed to obtain the clients' written consent to continue acting in the face of the conflicts described in Allegation #3 above, contrary to Rule 8.1 of the *Standards of Professional Responsibility* in force between June 2015 and May 2017.

## **JOINT SETTLEMENT AGREEMENT**

4. The parties filed with the Panel a Joint Settlement Agreement, a copy of which is attached as Schedule A.
5. The Standards Council withdrew Allegations c. and d. above as part of the Joint Settlement Agreement.
6. Regarding Allegation a. above, the Respondent admitted that he failed to recommend only those strategies that were prudent and appropriate for at least seven (7) of his clients, in that he recommended strategies to these clients whose objectives, personal circumstances and investment knowledge did not support such strategies, contrary to Rules 201 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Rules 15 and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017. In addition, he admits that in doing so, he failed to place his clients' interests first, contrary to Rule 202 of the *Code of Ethics* in force between April 2005 and October 2011; and Principle 3 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.
7. Regarding Allegation b. above, the Respondent admitted that between 2008 and February 2017, he failed to adequately disclose the level of risks investing in a portfolio of mutual funds (the Magna Funds) and the increasing level of risk of these investments over time, to at least seven (7) of his clients, contrary to Principles 2, 4 and 6 and Rules 201, 202 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Principles 3, 5 and 8 and Rules 2, 15, and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.

## **DECISION AND REASONS**

8. Pursuant to Article 6.10 of the *Disciplinary Rules and Procedures*, the “Hearing Panel shall review the Settlement Agreement and, unless the Hearing Panel considers the terms of the Settlement Agreement to be inappropriate in the circumstances, shall make an order consistent with the agreed terms of the Settlement”.
9. The Panel acknowledges that a joint settlement should only be rejected if the settlement would bring the administration of justice into disrepute or would otherwise be contrary to the public interest. In *R. v. Anthony-Cook*, 2016 SCC 43, the Supreme Court of Canada explained that to

meet this test, the settlement must be “so unhinged from the circumstances of the offence and the offender that its acceptance would lead reasonable and informed persons, aware of all the relevant circumstances, including the importance of promoting certainty in resolution discussions, to believe that the proper functioning of the justice system had broken down.”

10. The Panel accepts the Joint Settlement Agreement and finds that it is not inappropriate in the circumstances.
11. The Panel agrees that Mr. Cameron’s behaviour breached the following applicable Standards as set out in Appendix “A”: failing to exercise reasonable and prudent judgment, failing to act in the interests of his clients, failing to make suitable recommendations to his clients, engaging in conduct that reflects adversely on him as a CFP professional, the Marks or the profession, and failing to act with objectivity, fairness and professionalism. While none of the precedent cases put forward in the Joint Settlement Agreement Submissions involve cases where a permanent ban was ordered, the Panel is of the view that it is justified given the numerous and serious aggravating factors that exist in this case. The Panel determined that the proposed penalty is appropriate, in the public interest and consistent with the admissions and the applicable standards.
12. The Panel has reviewed the agreed facts put forward and is in agreement that the facts support the findings of misconduct.
13. The Panel agrees that the joint submission of a permanent ban is an appropriate penalty given the following aggravating circumstances with regards to Mr. Cameron:
  - a. The misconduct that Mr. Cameron has agreed to is serious, and resulted in significant financial losses to the Complainants totalling approximately \$1 Million. The losses ranged from 74.7% to 89% of the Complainants’ total investments in the Magna Funds;
  - b. At the time Mr. Cameron made the recommendations to invest in the Magna Funds, all of the Complainants were nearing retirement or already retired, and had identified the funds in the investment as their primary source of savings. As a result, the impact of the monetary loss to the Complainants was significant, for example, several of the Complainants had to continue to work well into their retirement. Understandably, several of the Complainants have suffered both physical and mental health problems.

- c. Mr. Cameron is an experienced financial planner and he ought to have understood his professional obligations to the Complainants.
- d. While Mr. Cameron participated in the initial review stage and investigation of this matter, the Panel notes that it is jointly submitted that his cooperation was limited. For example, Mr. Cameron did not make himself available for an interview. He also failed to address a number of questions put forward by the investigator, and several of his other representations were generic in nature. This is considered an aggravating factor as a certificant is expected to cooperate with the Standards Council in an investigation of a matter involving the certificant.

14. The Panel recognizes that there are a number of mitigating circumstances set out as follows:

- a. It is acknowledged that Mr. Cameron has entered into this Settlement Agreement.
- b. Mr. Cameron does not have a prior discipline history with the Standards Council.
- c. Mr. Cameron has acknowledged that in hindsight, his actions may have reflected negatively on the financial planning profession.
- d. Mr. Cameron no longer works in a client-facing role as a financial planner and CAM is no longer registered in any jurisdiction.

15. The Panel is not accepting as mitigating factors the fact that Mr. Cameron and his family also invested in Magna Funds. The issue in this matter is whether the investments were suitable to the Complainants and therefore the fact that both Mr. Cameron and his family invested in the product is not relevant. This is consistent with the decision in *Voegeli*, where a different Panel of FP Canada did not accept that harm to oneself was a mitigating factor. In particular, the Panel noted as follow:

In addition, although Mr. Voegeli may have harmed himself financially by investing in the same illiquid, market exempt securities, that fact has no bearing on the misconduct that has been reported.<sup>1</sup>

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<sup>1</sup> See *In the Matter of FP Canada Standards Council and Christophe Voegeli, CFP* (2021): [https://www.fpcanada.ca/docs/default-source/standards-and-enforcement/2021-05-04-voegeli-decision-summarybf96ad98817f45fcb00c2b5b981f7b7e.pdf?sfvrsn=2ddf5da2\\_](https://www.fpcanada.ca/docs/default-source/standards-and-enforcement/2021-05-04-voegeli-decision-summarybf96ad98817f45fcb00c2b5b981f7b7e.pdf?sfvrsn=2ddf5da2_). See also *In the Matter of FP Canada Standards Council and Rohit Jaswal* (2021) where a Panel of FP Canada noted that the certificant had not personally gained from the misconduct in accepting a settlement agreement, but they did not specifically call it mitigating: (see:

16. The joint submission for costs of \$20,000 to be paid by Mr. Cameron to the Standards Council is appropriate. While Mr. Cameron has avoided the need for a hearing on the merits by entering into this Settlement Agreement, he did so only after extensive time and costs have been incurred by the Standards Council. For example, Mr. Cameron brought a Motion to Adjourn, which was denied. Mr. Cameron sought to cross-examine various witnesses before the Panel. The cross-examinations that were intended to take place during the weeks of July 12 and 19, 2021 were subsequently adjourned and rescheduled for the weeks of August 16 and 23, 2021. Mr. Cameron entered into this Settlement Agreement only after all preparations had been made for the Hearing Panel and the witnesses to be present at the cross-examinations which were scheduled to proceed in two days. The parties advised the Panel in their submissions that Mr. Cameron has paid the full amount of costs.
17. In the circumstances of this case and given the various aggravating and mitigating factors, the penalties that have been submitted, that include a permanent ban, are appropriate given the seriousness of Mr. Cameron's actions, the important role that financial planners play in the financial well-being of their vulnerable clients and the ultimate and very real impact that the monetary losses have had on the Complainants who were on the verge of retirement.

## **ORDER**

18. For these reasons, the Panel accepts the Joint Settlement Agreement.
19. The Panel finds that the Respondent engaged in misconduct as alleged in the Request for Hearing Panel and as admitted in the Joint Settlement Agreement, more particularly contrary to Principles 2, 4 and 6 and Rules 201, 202 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Principles 3, 5 and 8 and Rules 2, 15, and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.

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[https://www.fpcanada.ca/docs/default-source/standards-and-enforcement/2021-07-26-jaswal-summary96f62959b6e845f4ae789ca49b839503.pdf?sfvrsn=83e8ad21\\_2](https://www.fpcanada.ca/docs/default-source/standards-and-enforcement/2021-07-26-jaswal-summary96f62959b6e845f4ae789ca49b839503.pdf?sfvrsn=83e8ad21_2) at para 7 of decision and reasons).



20. The Panel orders the following disciplinary penalty pursuant to its authority under article 8.2 of the *Disciplinary Rules and Procedures*:

- a. Mr. Cameron shall be permanently banned from seeking renewal or reinstatement of his CFP or any other certification with FP Canada effective immediately;
- b. Mr. Cameron shall be permanently banned from using the certification marks and/ or holding himself out as a Certificant; and
- c. Mr. Cameron shall pay costs to FP Canada in the amount of \$20,000 as follows:
  - i. \$10,000 immediately upon execution of this Settlement Agreement, by wire transfer; and
  - ii. \$10,000 within 30 days of the execution of this Settlement Agreement, by wire transfer. <sup>2</sup>

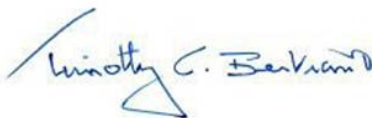
**DATED** this 8<sup>th</sup> day of November 2021.



Karen Manarin, Chair of the Hearing Panel



Jeff Lightheart, CFP®

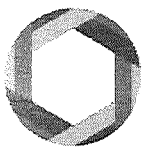


Timothy Bertrand, CFP®

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<sup>2</sup> Mr. Cameron has paid the full amount of costs.

# **SCHEDULE A**



*FP Canada Standards Council™*

*and*

*Gregory P. Cameron*

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## **Joint Settlement Agreement**

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### **I. NOTICE OF SETTLEMENT**

1. In accordance with Article 6.10 of the *FP Canada Standards Council™ Disciplinary Rules and Procedures* in effect as of September 1, 2020 (the “DRP”), and as set out in this Joint Settlement Agreement (the “Agreement”), a settlement of all particulars in this matter has been reached between the FP Canada Standards Council™, (the “Standards Council”), a Division of FP Canada™, and Gregory P. Cameron (“Mr. Cameron” or the “Respondent”).

### **II. ACKNOWLEDGEMENTS**

#### ***Execution of this Agreement***

2. The Respondent has carefully reviewed this Agreement and has had the benefit of legal counsel.
3. The Respondent has signed this Agreement voluntarily and without duress.
4. The parties agree that this Agreement will be filed with the Standards Council Discipline Hearing Panel (the “Hearing Panel”) on consent.

## ***The Allegations***

5. As set out in the Request for Hearing Panel filed with the Secretary on April 3, 2020, the Standards Council makes the following allegations against the Respondent:

1. Between 2008 and February 2017, the Respondent, failed to exercise reasonable and prudent professional judgment and failed to recommend only those strategies that were prudent and appropriate for at least seven (7) of his clients, in that he recommended strategies to these clients whose objectives, personal circumstances and investment knowledge did not support such strategies, contrary to Principles 1, 2, 4 and 6 and Rules 201, 202, 601 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Principles 1, 2, 3, 5, and 8 and Rules 2, 15 and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.
2. Between 2008 and February 2017, the Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly made a false or misleading statement to clients, in that he failed to adequately disclose and misrepresented the level of risks of investing in a portfolio of mutual funds (the “Magna Funds”), and the increasing level of risk of these investments over time, to at least seven (7) of his clients, contrary to Principles 1, 2, 4 and 6 and Rules 101, 201, 202, 601 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Principles 1, 2, 3, 5 and 8 and Rules 1, 2, 15 and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.
3. Between 2008 and February 2017, the Respondent acted in a conflict of interest and failed to make written disclosure of the conflict to at least seven (7) of his clients in that he recommended investing in the Magna Funds, which funds were managed by Chartwell Asset Management (“CAM”), both of which were substantially owned, operated, and controlled by the Respondent, contrary to Principles 1 and 4 and Rules 202 and 401 of the *Code of Ethics* in force between April 2005 and October 2011, and Principles 1, 2 and 5 and Rules 2 and 8 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.
4. Between June 2015 and February 2017, the Respondent acted in a conflict of interest with respect to at least seven (7) of his clients in that he failed to obtain the clients’ written consent to continue acting in the face of the conflicts described in Allegation #3 above, contrary to Rule 8.1 of the *Standards of Professional Responsibility* in force between June 2015 and May 2017.

6. The Standards Council withdraws Allegations #3 and 4.

## ***Admissions***

7. With respect to Allegations #1 and 2, the Respondent only admits the facts contained in this Agreement and admits that the facts support the particulars of professional misconduct as described below.

8. The Respondent understands that because he has signed this Agreement, the Standards Council will not have to prove the admitted facts or the admitted particulars through a full hearing; instead, the Hearing Panel will be asked to make a finding of misconduct based on this Agreement.

9. The Respondent understands that the Decision and Reasons, as well as a summary of the Decision, will be published in accordance with Article 10.1 of the DRP.

## ***Jurisdiction***

10. The Respondent accepts the jurisdiction of the Hearing Panel to make a finding of misconduct in accordance with Article 8.1 of the DRP. He further accepts the jurisdiction of the Hearing Panel to impose a penalty pursuant to Article 8.2 of the DRP.

11. The Respondent understands that the Hearing Panel will review this Agreement having regard to article 6.10 of the DRP and that the Hearing Panel may reject this Agreement and/or request amendments to this Agreement.

## ***Waiver of Appeal***

12. The Respondent is aware of his right to appeal a decision of the Hearing Panel pursuant to Article 9.1 of the DRP and, by executing this Agreement, voluntarily waives such right upon acceptance of this Agreement by the Hearing Panel.

## **III. FACTS**

### ***Background of the Respondent***

13. Mr. Cameron was certified by the Financial Planning Standards Council®, now FP Canada, as a CERTIFIED FINANCIAL PLANNER® professional between January 1, 1999 and March 31, 2018, when he elected not to renew his certification.

14. Mr. Cameron does not have a prior discipline history with the Standards Council.

15. Mr. Cameron operated his financial planning business in British Columbia through Chartwell Financial Group. Mr. Cameron also substantially owned, operated, and controlled Chartwell Asset Management (“CAM”), which was registered as a Portfolio Manager and an Exempt Market Dealer. CAM was the manager of a portfolio of mutual funds collectively referred to as the “Magna Funds.” Between January 5, 2010 and February 7, 2018, Mr. Cameron was the Ultimate Designated Person (“UDP”) of CAM. As of February 2018, CAM is no longer registered in any jurisdiction.

### ***History of Proceedings***

16. Between September 2017 and December 2018, the Standards Council received five (5) public complaints involving seven (7) of Mr. Cameron’s financial planning clients (the “Complainants”), relating to their investments in the Magna Funds, which were recommended by Mr. Cameron. The Complainants, aged 47 to 73 at the time of their initial investments, who were all classified as low-risk investors, allege that Mr. Cameron placed them into unsuitable investments, which resulted in significant losses to their retirement savings. They also allege that Mr. Cameron failed to adequately disclose the level of risks of the investments and failed to meet disclosure requirements, including his obligation to disclose potential and actual conflicts of interest.

17. Between February 7, 2018 and January 15, 2019, the Standards Council commenced five (5) independent investigations into the Respondent’s conduct as an FP Canada certificant. The investigations were completed on February 10, 2020.

18. On February 19, 2020, the Conduct Review Panel (“CRP”) convened and referred this matter to a Hearing Panel.

### ***The Alleged Misconduct***

#### ***Allegation #1 (Amended) – Mr. Cameron failed to recommend only those strategies prudent and appropriate for his clients***

19. In their Know Your Client (KYC) forms, including their Investment Profiling Questionnaires, the Complainants were characterized as low-risk investors. Mr.

Cameron recommended that the Complainants invest in the “Conservative Portfolio” of the Magna Funds, with the underlying investments comprising the High Income Fund (HIF), Life Settlement Fund (LSF), and the Real Estate Investment Trust (REIT). Unbeknownst to the Complainants, these exempt market products were not consistent with their objectives, risk tolerance, and personal financial circumstances.

20. In early 2017, the decision was made to stop all purchases and redemptions in the Magna Funds. Only after the funds were frozen, did the Complainants discover their investments were extremely high-risk, illiquid, and lacked diversification.

21. While Mr. Cameron asserts that he was acting honestly, Mr. Cameron admits that he failed to recommend only those strategies that were prudent and appropriate for at least seven (7) of his clients, in that he recommended strategies to these clients whose objectives, personal circumstances and investment knowledge did not support such strategies, contrary to Rules 201 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Rules 15 and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017. In addition, he admits that in doing so, he failed to place his clients’ interests first, contrary to Rule 202 of the *Code of Ethics* in force between April 2005 and October 2011; and Principle 3 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.

**Allegation #2 (Amended) – Mr. Cameron failed to adequately disclose the level of risks of the Magna Funds**

22. Mr. Cameron recommended the Magna Funds as low risk, conservative investments notwithstanding that the level of risk associated with the Funds, and the risks themselves, were high initially. Mr. Cameron also continued to recommend investing in the Magna Funds, notwithstanding that the risks only increased over time.

23. Mr. Cameron did not take adequate steps to ensure that the Complainants were aware of the level of risks of the investments when they invested and failed to keep them adequately informed of the increasing level of risks of the funds over time.

24. Mr. Cameron recommended that several Complainants invest in the Magna Funds as late as February 2016. By March 20, 2017, the breakdown of investments in the HIF showed that almost 85% was held in a single entity.

25. While Mr. Cameron asserts that he was acting honestly, Mr. Cameron admits that, between 2008 and February 2017, he failed to adequately disclose the level of risks investing in a portfolio of mutual funds (the Magna Funds) and the increasing level of risk of these investments over time, to at least seven (7) of his clients, contrary to Principles 2, 4 and 6 and Rules 201, 202 and 702 of the *Code of Ethics* in force between April 2005 and October 2011; and Principles 3, 5 and 8 and Rules 2, 15, and 16 of the *Standards of Professional Responsibility* in force between November 2011 and May 2017.

### **Aggravating Circumstances**

26. There are several aggravating circumstances in this matter which are relevant:

- a. The misconduct is serious, and resulted in significant financial losses to the Complainants totaling approximately \$1 million, with their losses ranging from 74.7% to 89% of their total investments in the Magna Funds;
- b. At the time Mr. Cameron made the recommendations to invest in the Magna Funds, all of the Complainants were nearing retirement, or already retired, and had earmarked the money that they invested as a primary source of savings. As such, several of the Complainants have had to work well into retirement and have suffered both physical and mental health problems as a result of their losses;
- c. One Complainant was particularly vulnerable, being 73 years old at the time that Mr. Cameron recommended the Magna Funds.
- d. Mr. Cameron is an experienced financial planner and therefore he ought to have had the requisite experience to understand his professional obligations;



- e. Although ultimately Mr. Cameron has avoided the need for a hearing on the merits by entering into this Settlement Agreement, he has done so only after extensive time and costs have been incurred by the Standards Council;<sup>1</sup>
- f. While Mr. Cameron participated in the initial review stage and investigation, his cooperation was limited. For example, Mr. Cameron did not make himself available for an interview. He also failed to address a number of questions put forward by the investigator, and several of his other representations were generic in nature.

### **Mitigating Circumstances**

27. There are also several mitigating circumstances which are relevant:
- a. Mr. Cameron does not have a discipline history with the Standards Council;
  - b. Mr. Cameron asserts that he and his family suffered financial losses in relation to their investments in the Magna Funds;
  - c. Mr. Cameron acknowledges that he could have been clearer in communications with the Complainants and is apologetic that the Complainants relied on him in a way he did not intend them to, but at the time believed he was acting honestly;
  - d. In hindsight, Mr. Cameron acknowledges that his actions may have reflected negatively on the financial planning profession;
  - e. Mr. Cameron has not been certified by FP Canada since March 31, 2018 and has agreed not to seek reinstatement of his certification as a condition of this agreement; and
  - f. Mr. Cameron no longer works in a client-facing role as a financial planner and CAM is no longer registered in any jurisdiction.

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<sup>1</sup> Related to this matter, Mr. Cameron brought forth a Motion to Adjourn, which was denied. His cross-examinations were intended to take place during the weeks of July 12 and 19, 2021, however, they were subsequently pushed back to the weeks of August 16 and 23, 2021. Mr. Cameron enters into this Settlement Agreement only after all preparations have been made for the Hearing Panel and the witnesses to be present at the cross-examinations which were to take place in just two days.

#### IV. APPLICABLE STANDARDS

28. The applicable Principles and Rules of the *Code of Ethics* and of the applicable *Standards of Professional Responsibility* are set out in **Appendix “A”**.

#### V. AGREEMENT WITH RESPECT TO PENALTY

##### **The Proposed Penalty**

29. The parties have made the following agreement with respect to penalty:


- a. Mr. Cameron shall be permanently banned from seeking renewal or reinstatement of his CFP or any other certification with FP Canada effective immediately;
- b. Mr. Cameron shall be permanently banned from using the certification marks and/or holding himself out as a Certificant; and
- c. Mr. Cameron shall pay costs to FP Canada in the amount of \$20,000 as follows:
  - i. \$10,000 immediately upon execution of this Settlement Agreement, by wire transfer; and
  - ii. \$10,000 within 30 days of the execution of this Settlement Agreement, by wire transfer.

30. Should the within Settlement Agreement ultimately be rejected by the Disciplinary Hearing Panel, the Standards Council undertakes to return any funds paid pursuant to paragraph 29(c) above, to Mr. Cameron within ten (10) business days.

31. The parties jointly submit that the penalty proposed in this case is appropriate, in the public interest, and consistent with the admissions and the applicable standards.

This Agreement may be signed in counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

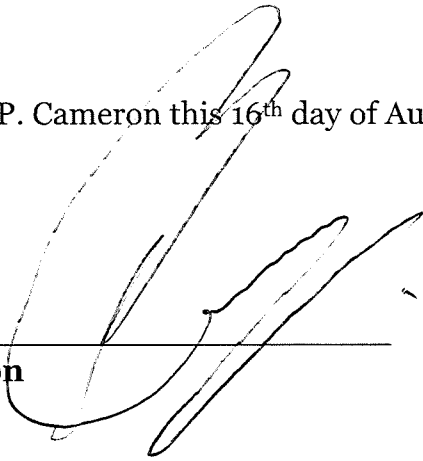
Agreed to by FP Canada Standards Council this 16<sup>th</sup> day of August 2021.



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**Tamara Center, Counsel to FP Canada Standards Council**

Agreed to by Gregory P. Cameron this 16<sup>th</sup> day of August 2021.



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**Gregory P. Cameron**



## Appendix A

### Applicable Principles and Rules of the Standards of Professional Responsibility

Applicable Standards	Time frame
<i>CFP™ Code of Ethics</i> , April 2005	April 2005 to December 2009
<i>CFP® Code of Ethics</i> , January 2010	January 2010 to October 2011
<i>Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered Candidates</i> , November 2011	November 2011 to February 2014
<i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning</i> , March 2014	March 2014 to September 2014
<i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning</i> , October 2014	October 2014
<i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning</i> , November 2014	November 2014 to May 2015
<i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificants in Financial Planning</i> , June 2015	June 2015 to February 2016
<i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificants in Financial Planning</i> , March 2016	March 2016 to May 2017

Applicable Principles and Rules of the <i>CFP™ Code of Ethics</i> , April 2005 to December 2009	
<b>Principle 2: Objectivity</b> <b>A CFP Professional shall be objective in providing financial planning to clients.</b> <p>Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which a CFP professional functions, a CFP professional should protect the integrity of his or her work, maintain objectivity, and avoid the subordination of his or her judgement, which would be in violation of this Code.</p>	
<b>Principle 4: Fairness</b> <b>A CFP professional shall perform financial planning in a manner that is fair and reasonable to clients, principals, partners, and employers and shall disclose conflicts of interest in providing such services.</b> <p>Fairness requires impartiality, intellectual honesty, and disclosure of conflicts of interest. It involves a subordination of one's own feelings, prejudices, and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that one would want to be treated and is an essential trait of any professional.</p>	
<b>Principle 6: Professionalism</b> <b>A CFP Professional's conduct in all matters shall reflect credit upon the profession.</b> <p>A CFP professional shall behave in a manner that maintains the good reputation of the profession and its ability to serve the public interest. A CFP professional shall avoid activities that adversely affect the quality of her or her financial planning advice.</p>	
<b>Rule 201</b>	A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.

<b><u>Rule 202</u></b>	A CFP professional shall act in the interests of the client.
<b><u>Rule 702</u></b>	A CFP professional shall make and/or implement only those recommendations that are suitable for the client.

<b>Applicable Principles and Rules of the <i>CFP® Code of Ethics</i>, January 2010</b>	
<b>Principle 2: Objectivity</b>  <b>A CFP professional shall be objective in providing financial planning to clients.</b> Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which a CFP professional functions, a CFP professional should protect the integrity of his or her work, maintain objectivity, and avoid the subordination of his or her judgment, which would be in violation of this Code.	
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<b>Applicable Principles and Rules of the <i>Standards of Professional Responsibility for CFP® Professionals and FPSC® Registered Candidates</i>, November 2011</b>	
<b>Principle 3: Objectivity</b> <b>A CFP professional shall be objective when providing advice and/or services to clients.</b> Objectivity requires intellectual honesty and impartiality and the exercise of sound judgment, regardless of the services delivered or the capacity in which a CFP professional functions.	
<b>Principle 5: Fairness</b> <b>A CFP professional shall be fair and open in all professional relationships.</b> Fairness requires providing clients with what they should reasonably expect from a professional relationship, and includes honesty and disclosure of all relevant facts including conflicts of interest.	
<b>Principle 8: Professionalism</b> <b>A CFP professional shall act in a manner that reflects positively upon the profession.</b>  Professionalism refers to conduct that inspires confidence and respect from clients and the community, and embodies all of the	

other principles within the Code.	
<b>Rule 2</b>	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.
<b>Rule 15</b>	A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.
<b>Rule 16</b>	A CFP professional shall make only those recommendations that are both prudent and appropriate for the client.

<b>Applicable Principles and Rules of the <i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning</i>, March 2014</b>	
<b>Principle 3: Objectivity</b> <b>A CFP professional shall be objective when providing advice and/or services to clients.</b> Objectivity requires intellectual honesty, impartiality and the exercise of sound judgment, regardless of the services delivered or the capacity in which a CFP professional functions	
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<b>Applicable Principles and Rules of the <i>Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1™ Certificants in Financial Planning</i>, October 2014</b>	
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**Applicable Principles and Rules of the *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificants in Financial Planning*, June 2015**

**Principle 3: Objectivity**

**A CFP professional shall be objective when providing advice and/or services to clients.**

Objectivity requires intellectual honesty, impartiality and the exercise of sound judgment, regardless of the services delivered or the capacity in which a CFP professional functions.

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**Rule 2**

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**Rule 15**

A CFP professional shall exercise reasonable and prudent professional judgment in providing financial planning.

**Rule 16**

A CFP professional shall only make those recommendations that are both prudent and appropriate for the client.

**Applicable Principles and Rules of the *Standards of Professional Responsibility for CFP® Professionals and FPSC Level 1® Certificants in Financial Planning*, March 2016**

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