

## Disciplinary Rules and Procedures

### ARTICLE 1: INTRODUCTION

Certified Financial Planner Board of Standards Inc. (CFP Board) has adopted a *Code of Ethics and Professional Responsibility (Code of Ethics)*, *Rules of Conduct* and *Financial Planning Practice Standards (Practice Standards)* which establish the expected level of professional conduct and practice for certificants and registrants. The *Code of Ethics*, *Rules of Conduct* and *Practice Standards* may be amended from time to time, with revisions submitted to the public for comment before final adoption by CFP Board. To promote and maintain the integrity of its ~~CFP~~, CFP® and CERTIFIED FINANCIAL PLANNER™ certification marks for the benefit of the clients and potential clients of certificants and registrants, CFP Board has the ability to enforce the provisions of the *Rules of Conduct* and *Practice Standards*. Adherence to the *Rules of Conduct and compliance with the Practice Standards* by certificants and registrants is required, with the potential for CFP Board sanctions against those who violate the regulations proscribed in these documents. CFP Board will follow the disciplinary rules and procedures set forth below when enforcing the *Rules of Conduct* and *Practice Standards*.

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### ARTICLE 2: DISCIPLINARY AND ETHICS COMMISSION

#### 2.1 Function and Jurisdiction of the Disciplinary and Ethics Commission

CFP Board's Disciplinary and Ethics Commission (referred to herein as the "Commission"), formed pursuant to and governed by the bylaws of CFP Board, is charged with the duty of investigating, reviewing and taking appropriate action with respect to alleged violations of the *Rules of Conduct* and alleged non-compliance with the *Practice Standards* as promulgated by CFP Board and shall have original jurisdiction over all such disciplinary matters and procedures.

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#### 2.2 Powers and Duties of the Commission

The Commission shall be authorized and empowered to:

- (a) Enlist the assistance of CFP® certificants to assist with investigations, or serve temporarily on a Hearing Panel;
- (b) Periodically report to CFP Board's Board of Directors on the operation of the Commission;
- (c) Adopt amendments to these *Disciplinary Rules and Procedures*, subject to review and approval of CFP Board's Board of Directors; and
- (d) Adopt such other rules or procedures as may be necessary or appropriate to govern the internal operations of the Commission.

#### 2.3 Hearing Panel

The Hearing Panel may consist of members of the Commission who have been designated Hearing Panel members, enlisted CFP® certificants and up to one individual who is not a CFP® certificant. A Panel shall consist of at least three persons. At least one member of every Hearing Panel shall be a member of the Commission and at least two members of every Hearing Panel shall be CFP® certificants. One member of each Hearing Panel shall serve as Chair of that hearing. The Chair shall rule on all motions, objections and other matters presented in the course of the hearing and must be a voting member of the Commission.

## 2.4 Disqualification

Commission members shall refrain from participating in any proceeding in which they, a member of their immediate family or a member of their firm have any interest or where such participation otherwise would involve a conflict of interest or the appearance of impropriety.

## 2.5 CFP Board Counsel

CFP Board Counsel may be either full- or part-time employees of CFP Board or may be non-employees who are attorneys. It will be the duty of CFP Board and CFP Board Counsel to maintain an office in such location as approved by CFP Board's Board of Directors to serve as a central office for the filing of requests for the investigation of certificant or registrant conduct, for the coordination of such investigations, for the administration of all disciplinary enforcement proceedings carried out pursuant to these *Procedures*, for the prosecution of charges of wrongdoing against certificants or registrants pursuant to these *Procedures* and for the performance of such other duties as are designated by the Commission or the Chief Executive Officer of CFP Board. CFP Board Counsel shall have ultimate responsibility to the Commission.

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## ARTICLE 3: GROUNDS FOR DISCIPLINE

Misconduct by a certificant or registrant, individually or in concert with others, including the following acts or omissions, shall constitute grounds for discipline, whether or not the act or omission occurred in the course of a client relationship:

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- (a) Any act or omission which violates the provisions of the Rules of Conduct;
- (b) Any act or omission which fails to comply with the *Practice Standards*;
- (c) Any act or omission which violates the criminal laws of any State or of the United States or of any province, territory or jurisdiction of any other country, provided however, that conviction thereof in a criminal proceeding shall not be a prerequisite to the institution of disciplinary proceedings, and provided further, that acquittal in a criminal proceeding shall not bar a disciplinary action;
- (d) Any act which is the proper basis for professional suspension, as defined herein, provided professional suspension shall not be a prerequisite to the institution of disciplinary proceedings, and provided further, that dismissal of charges in a professional suspension proceeding shall not

- necessarily bar a disciplinary action;
- (e) Any act or omission which violates these *Procedures* or which violates an order of discipline;
- (f) Failure to respond to a request by the Commission, without good cause shown, or obstruction of the Commission, or any panel or board thereof, or CFP Board staff in the performance of its or their duties. Good cause includes, without limitation, an assertion that a response would violate a certificants or registrants constitutional privilege against self incrimination;
- (g) Any false or misleading statement made to CFP Board.

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The enumeration of the foregoing acts and omissions constituting grounds for discipline is not exclusive and other acts or omissions amounting to unprofessional conduct may constitute grounds for discipline.

#### ARTICLE 4: FORMS OF DISCIPLINE

In cases where no grounds for discipline have been established, the Commission may dismiss the matter as either without merit or with a cautionary letter. In all cases, the Commission has the right to require certificants and registrants to complete additional continuing education or other remedial work. Such continuing education or remedial work may be ordered instead of, or in addition to, any discipline listed below. Where grounds for discipline have been established, any of the following forms of discipline may be imposed in these cases where grounds for discipline have been established.

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##### 4.1 Private Censure

The Commission may order private censure of certificants or registrants which shall be an unpublished written reproach mailed by the Commission to a censured certificants or registrants.

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##### 4.2 Public Letter of Admonition

The Commission may order that a Letter of Admonition be issued against a certificants or registrants, which shall be a publishable written reproach of the certificants or registrants behavior. It shall be standard procedure to publish the Letter of Admonition in a press release or in such other form of publicity selected by the Commission. In some cases when the Commission determines that there are mitigating circumstances, it may decide to withhold public notification.

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##### 4.3 Suspension

The Commission may order suspension for a specified period of time, not to exceed five (5) years, for those individuals it deems can be rehabilitated. In the event of a suspension, it shall be standard procedure to publish the fact of the suspension together with identification of certificants or registrants in a press release, or in such other form of publicity as is selected by the Commission. In some cases when the Commission determines that there are extreme mitigating circumstances it may decide to withhold public notification. Certificants or registrants receiving a suspension may qualify for reinstatement to use the marks

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as provided in Article 15.

#### 4.4 Revocation

The Commission may order permanent revocation of a certificiant's or registrant's right to use the marks. In the event of a permanent revocation it shall be standard procedure to publish the fact of the revocation together with identification of the certificiant or registrant in a press release, or in such other form of publicity as is selected by the Commission. In some cases when the Commission determines that there are extreme mitigating circumstances it may decide to withhold public notification. Revocation shall be permanent.

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#### 4.5 Forms of Discipline Concerning Candidates

Under certain circumstances and consistent with CFP Board's Candidate Fitness Standards, the Commission may take action in matters involving the conduct of candidates for CFP® certification. Action that may be taken in these cases, where grounds have been established, correspond in character and degree to the four forms of discipline described in Articles 4.1 through 4.4 above, and are correspondingly as follows:

- (a) Subject to the candidate's meeting all other requirements of certification, certification, if any, of the candidate with a private censure in the candidate's record in the form stated;
- (b) Subject to the candidate's meeting all other requirements of certification, certification, if any, of the candidate with issuance of a Letter of Admonition, published as applicable, and in the candidate's record in the form stated;
- (c) Certification, if any, suspended for a specified period, not to exceed five (5) years;
- (d) Certification, if any, denied.

In the event of either a suspension or a denial of certification, the fact of such suspension or denial shall be publishable at the discretion of the Committee. A candidate for the CFP® certification who has been the subject of an order to suspend certification may seek to reapply for certification according to the same procedures in Article 15.2. Such candidates, in addition, shall meet the requirements of original certification.

#### ARTICLE 5: INTERIM SUSPENSION STATUS

Interim suspension is the temporary suspension by the Commission of a certificiant's or registrant's right to use the marks for a definite or indefinite period of time, while proceedings conducted pursuant to these *Procedures* are pending against the certificiant or registrant. Imposition of an interim suspension shall not preclude the imposition of any other form of discipline entered by the Commission in final resolution of the disciplinary proceeding.

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#### 5.1 Issuance of a Show Cause Order

Although a certificiant's and registrant's right to use the marks shall not ordinarily be suspended during the pendency of such proceedings, when it appears that a certificiant or registrant has been convicted of a serious crime

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as defined in Article 12.5, or has been the subject of a professional suspension as defined in Article 12.6, or has converted property or funds, has engaged in conduct which poses an immediate threat to the public, or has engaged in conduct the gravity of which impinges upon the stature and reputation of the marks, CFP Board Counsel may issue an Order to Show Cause why the certificant's or registrant's right to use the marks should not be suspended during the pendency of the proceedings.

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## 5.2 Service

CFP Board shall serve the Order to Show Cause upon the certificant or registrant either by personal service or by certified mail, return receipt requested, mailed to the last known address of the certificant or registrant, as provided in Article 17.2.

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## 5.3 Response

All responses to Orders to Show Cause shall be in writing and shall be submitted within twenty (20) calendar days from the date of service of the Order to Show Cause upon the certificant or registrant. The certificant or registrant shall, in the response, either request or waive the right to participate in the Show Cause Hearing.

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## 5.4 Failure to Respond to the Order to Show Cause

If the certificant or registrant fails to file a Response within the period provided in Article 5.3, that certificant or registrant shall be deemed to have waived the right to respond and the allegations set forth in the Order to Show Cause shall be deemed admitted and an interim suspension will automatically be issued.

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## 5.5 Show Cause Hearing

Upon receiving the certificant's or registrant's response as provided in Article 5.3, a hearing shall be scheduled before no less than a quorum of the Commission. If so requested, the certificant or registrant shall have the opportunity to participate at such hearing presenting arguments and evidence on his/her behalf. All evidence presented must be submitted to CFP Board staff not less than twenty (20) days prior to the scheduled hearing. Any evidence not so submitted may only be admitted by motion at the hearing.

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## 5.6 Interim Suspension

An interim suspension will be issued when the Commission determines that the certificant or registrant has failed to provide evidence which establishes, by a preponderance of the evidence, that the certificant or registrant does not pose an immediate threat to the public and that the gravity of the nature of the certificant's or registrant's conduct does not impinge upon the stature and reputation of the marks. The fact that a convicted or suspended certificant or registrant is seeking appellate review of the conviction or suspension shall not limit the power of the Commission to impose an interim suspension.

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## 5.7 Automatic Reinstatement Upon Reversal of Conviction or Suspension

A certificant or registrant subject to a suspension under this Article shall have the suspension vacated immediately upon filing with the Commission a certificate demonstrating that the underlying criminal conviction or professional suspension has been reversed; provided, however, the reinstatement upon such reversal shall have no effect on any proceeding conducted pursuant to these *Procedures* then pending against a certificant or registrant.

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## 5.8 Publication

It shall be standard procedure to publish the fact of an interim suspension together with identification of the certificant or registrant in a press release.

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## ARTICLE 6: INVESTIGATION

### 6.1 Commencement

Proceedings involving potential ethics violations shall be commenced upon a written request for investigation made by any person which shall be directed to the Commission or commenced at the behest of CFP Board Counsel. Proceedings involving *Practice Standards* nonconformance shall be commenced upon a written request for investigation made by any person(s) who have a contractual relationship with the certificant or registrant whose practices are being called into question or by a CFP<sup>®</sup> certificant, or at the behest of CFP Board Counsel. In either situation, the Commission may, in making a determination of whether to proceed, make such inquiry regarding the underlying facts as they deem appropriate.

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### 6.2 Procedures for Investigation

Upon receipt of a request for investigation containing allegations which, if true, could give rise to a violation of the Rules of Conduct, or upon the acquisition by CFP Board Counsel of information which, if true, could give rise to a violation of the Rules of Conduct, the certificant or registrant in question shall be given written notice by CFP Board Counsel that the certificant or registrant is under investigation and of the general nature of the allegations asserted against the certificant or registrant. The certificant or registrant shall have thirty (30) calendar days from the date of notice of the investigation to file a written response to the allegations with the Commission.

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(a) *No Response*. At the expiration of the thirty (30) calendar-day period if no response has been received, the matter shall be referred to a Hearing Panel.

(b) *Response*. Upon receipt of a response, CFP Board Counsel shall compile all documents and materials and commence probable cause determination procedures as soon thereafter as is

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reasonably practicable.

### 6.3 Probable Cause Determination Procedures

CFP Board Counsel shall determine if there is probable cause to believe grounds for discipline exists and shall either; (1) dismiss the allegations as not warranting further investigation at this time; (2) dismiss the allegations with a letter of caution recommending remedial action and/or entering other appropriate orders; or (3) begin preparation and processing of a Complaint against the certificiant or registrant in accordance with Article 7. For matters that are dismissed, CFP Board Counsel may reserve the right to reopen the investigation in the future if appropriate.

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### 6.4 Disposition

CFP Board Counsel shall conduct CFP Board's investigation as expeditiously as reasonably practicable.

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## ARTICLE 7: COMPLAINT - ANSWER - DEFAULT

### 7.1 Complaint

An original Complaint shall be prepared by CFP Board staff and forwarded to the certificiant or registrant. Copies of the Complaint shall be included with the materials provided to the Hearing Panel in advance of the hearing. The Complaint shall reasonably set forth the grounds for discipline with which the certificiant or registrant is charged and the conduct or omission which gave rise to those charges.

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### 7.2 Service of the Complaint

CFP Board staff shall promptly serve the Complaint upon the certificiant or registrant either by personal service or by certified mail, return receipt requested, mailed to the last known address of the certificiant or registrant or as provided in Article 17.2.

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### 7.3 Answer

All Answers to Complaints shall be in writing. The Answer shall be submitted within twenty (20) calendar days from the date of service of the Complaint on the certificiant or registrant. The certificiant or registrant shall file an original of such Answer with CFP Board. A copy of the Answer shall be included with the materials provided to the Hearing Panel in advance of the hearing. In the Answer, the certificiant or registrant shall respond to every material allegation contained in the Complaint. In addition, the certificiant or registrant shall set forth in the Answer any defenses or mitigating circumstances.

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### 7.4 Default and Orders of Revocation and Denial

If the certificiant or registrant fails to file an Answer within the period provided by Article 7.4, such certificiant or registrant shall be deemed to be

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in default, and the allegations set forth in the Complaint shall be deemed admitted. In such circumstance, CFP Board Counsel shall serve upon the certificiant or registrant, consistent with Article 7.3, an Order of Revocation or, in cases involving a candidate for certification, an Order of Denial. Such orders shall state clearly and with reasonable particularity the grounds for the revocation or denial of the certificiant's or registrant's right to use the marks. These Orders are subject to the certificiant's or registrant's right of appeal as outlined in Article 11.

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### 7.5 Request for Appearance

Upon the filing of an Answer, the certificiant or registrant may request an appearance at the hearing before the Hearing Panel, at which the certificiant or registrant may present arguments, witnesses and evidence on his/her behalf.

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## ARTICLE 8: DISCOVERY AND EVIDENCE

### 8.1 Discovery

Discovery of a disciplinary case may be obtained only after a Complaint has been issued against a certificiant or registrant. A certificiant or registrant may obtain copies of all documents in the certificiant's or registrant's disciplinary file which are not privileged and which are relevant to the subject matter in the pending action before the Hearing Panel. Requests for copies of CFP Board documents must be made to CFP Board Counsel in writing. Release of information contained in a certificiant's or registrant's disciplinary file is premised on the understanding that materials will be used only for purposes directly connected to the pending CFP Board action.

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### 8.2 Documents

Documents submitted by certificiants or registrants to the Commission for consideration in resolution of the issues raised during an investigation shall be limited to 100 pages. No evidence may be accepted less than thirty (30) days prior to the scheduled hearing, except by motion at the hearing.

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Should a certificiant or registrant deem it necessary to exceed the 100 page limit, the certificiant or registrant shall be required to submit a written memorandum that outlines clearly and with reasonable particularity how each and every document submitted by the certificiant or registrant or on his or her behalf relates to the allegations contained in the CFP Board Complaint. After reviewing such outline, the Commission shall determine which documents will be permitted.

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### 8.3 Witnesses

Witnesses, if any, shall be identified to CFP Board no later than forty-five (45) days prior to the scheduled hearing. When witnesses are identified, the certificiant or registrant shall also state the nature and extent of the witnesses' testimony, as well as whether the witnesses will appear in person or via

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telephone.

#### 8.4 Administrative Dismissal

If, upon receipt of a certificant's or registrant's Answer to the Complaint, new information becomes available that may warrant a dismissal of the case prior to review by a Hearing Panel, the Director of the Professional Review Department and the Chair of the Commission shall review all relevant materials and make such determination at that time.

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### ARTICLE 9: HEARINGS

#### 9.1 Notice

Not less than thirty (30) calendar days before the date set for the hearing of a Complaint, notice of such hearing shall be given as provided in Article 17.2 to the certificant or registrant, or to the certificant's or registrant's counsel. The notice shall designate the date and place of the hearing and shall also advise the certificant or registrant that he/she is entitled to be represented by counsel at the hearing, to cross-examine witnesses and to present evidence on his/her behalf.

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#### 9.2 Designation of a Hearing Panel

All hearings on Complaints seeking disciplinary action against a certificant or registrant shall be conducted by the Hearing Panel.

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#### 9.3 Procedure and Proof

Hearings shall be conducted in conformity with such rules of procedure and evidence as established by the Hearing Panel. It shall not be necessary that rules of procedure and evidence applicable in a court of law are followed in any hearing, but the Hearing Panel may be guided by such rules to the extent it believes it is appropriate. Proof of misconduct shall be established by a preponderance of the evidence. A certificant or registrant may not be required to testify or to produce records over the objection of the certificant or registrant if to do so would be in violation of the certificant's or registrant's constitutional privilege against self-incrimination in a court of law. In the course of the proceedings, the Chair of the Hearing Panel shall have the power to require the administration of oath and affirmations. A complete record shall be made of all testimony taken at hearings before the Hearing Panel.

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### ARTICLE 10: REPORT, FINDINGS OF FACT AND RECOMMENDATION

#### 10.1 Hearing Panel

At the conclusion of the hearing, the Hearing Panel shall record its findings of fact and recommendations and submit the findings and recommendations to the Commission for its consideration. In making its recommendation, the Hearing Panel may take into consideration the certificant's or registrant's

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prior disciplinary record, if any.

### 10.2 Report of the Hearing Panel

The Hearing Panel shall report its findings and recommendations to the Commission. In this report, the Hearing Panel shall: (1) determine that the Complaint is not proved or that the facts as established do not warrant the imposition of discipline and recommend the Complaint be dismissed, either as without merit or with caution; or (2) refer the matter to the Commission with the recommendation that discipline by the Commission is appropriate. The recommendation of the Hearing Panel shall state specifically the form of discipline the Hearing Panel deems appropriate. The Hearing Panel may also recommend that the Commission enter other appropriate orders .

### 10.3 Power of the Commission

The Commission reserves the authority to review any determination made by the Hearing Panel in the course of a disciplinary or *Practice Standards* proceeding and to enter any order with respect thereto including an order directing that further proceedings be conducted as provided by these *Procedures*. The Commission shall review the report of the Hearing Panel and may either approve the report or modify it. The Commission must accept the Hearing Panel's findings of fact, unless, on the basis of its own review of the record, it determines that such findings are clearly erroneous. The Commission may modify the Hearing Panel's recommendation without reviewing the record and must state the reasons for the modification.

## ARTICLE 11: APPEALS

All appeals from orders of the Commission shall be submitted to CFP Board's Appeals Committee in accordance with the *Rules and Procedures of the Appeals Committee*. If an order of the Commission is not appealed within thirty (30) calendar days after notice of the order is sent to the certificant or registrant, such order shall become final.

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## ARTICLE 12: CONVICTION OF A CRIME OR PROFESSIONAL SUSPENSION

### 12.1 Proof of Conviction or Professional Suspension

Except as otherwise provided in these *Procedures*, a certificate from the clerk of any court of criminal jurisdiction indicating that a certificant or registrant has been convicted of a crime in that court or a letter or other writing from a governmental or industry self-regulatory authority to the effect that a certificant or registrant has been the subject of an order of professional suspension (as hereinafter defined) by such authority, shall conclusively establish the existence of such conviction or such professional suspension for purposes of disciplinary proceedings and shall be conclusive proof of the commission of that crime or of the basis for such suspension, by the certificant or registrant.

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### 12.2 Duty to Report Criminal Conviction or Professional Suspension

Every certificiant or registrant, upon being convicted of a crime, except misdemeanor traffic offenses or traffic ordinance violations unless such offense involves the use of alcohol or drugs, or upon being the subject of professional suspension, shall notify CFP Board in writing of such conviction or suspension within ten (10) calendar days after the date on which the certificiant or registrant is notified of the conviction or suspension.

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### 12.3 Commencement of Disciplinary Proceedings Upon Notice of Conviction or Professional Suspension

Upon receiving notice that a certificiant or registrant has been convicted of a crime other than a serious crime (as defined herein), CFP Board Counsel shall commence an investigation. If the conviction is for a serious crime or if a certificiant or registrant is the subject of a professional suspension, CFP Board shall obtain the record of conviction or proof of suspension and file a Complaint against the certificiant or registrant as provided in Article 7. If the certificiant's or registrant's criminal conviction or professional suspension is either proved or admitted as provided herein, the certificiant or registrant shall have the right to be heard by the Hearing Panel only on matters of rebuttal of any evidence presented by CFP Board Counsel other than proof of the conviction or suspension.

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### 12.4 Conviction of Serious Crime or Professional Suspension - Immediate Suspension

Upon receiving notification of a certificiant's or registrant's criminal conviction or professional suspension, CFP Board Counsel may, at its discretion, issue a notice to the convicted or suspended certificiant or registrant directing that the certificiant or registrant show cause why his/her right to use the marks should not be immediately suspended pursuant to Article 5.

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### 12.5 Serious Crime Defined

The term serious crime as used in these rules shall include: (1) any felony; (2) any lesser crime, a necessary element of which as determined by its statutory or common law definition involves misrepresentation, fraud, extortion, misappropriation or theft; and/or (3) an attempt or conspiracy to commit such crime, or solicitation of another to commit such crime.

### 12.6 Definition of a Professional Suspension

A professional suspension as used herein shall include the suspension or bar as a disciplinary measure by any governmental or industry self-regulatory authority of a license as a registered securities representative, broker/dealer, insurance or real estate salesperson or broker, insurance broker, attorney, accountant, investment adviser or financial planner.

## ARTICLE 13: SETTLEMENT PROCEDURE

A certificant, registrant or CFP Board Counsel may propose an Offer of Settlement in lieu of a disciplinary hearing pursuant to these *Procedures*. Submitting an Offer of Settlement shall stay all proceedings conducted pursuant to these *Procedures*.

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### 13.1 Offer of Settlement

Offers of Settlement may be made where the nature of the proceeding, and the interests of the public and CFP Board permit. The Offer of Settlement shall be in writing and must be submitted to CFP Board staff at least 30 days prior to the certificant's or registrant's scheduled disciplinary hearing. A Hearing Panel will consider the Offer and take one of the actions described in Articles 13.2 and 13.3. The Hearing Panel will consider only one Offer of Settlement during the course of a disciplinary proceeding. The Offer must be made in conformity with the provisions of this Article and should not be made frivolously or propose an action inconsistent with the seriousness of the violations alleged in the proceedings. CFP Board Counsel may negotiate a proposed Offer of Settlement with the certificant or registrant and endorse the Offer of Settlement to the Hearing Panel. Only the Commission shall have final decision making authority to accept or reject an Offer of Settlement.

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Every Offer of Settlement shall contain and describe in reasonable detail:

- (a) The act or practice which the member or person associated with a member is alleged to have engaged in or omitted;
- (b) The principle, rule, regulation or statutory provision which such act, practice or omission to act is alleged to have been violated;
- (c) A statement that the certificant or registrant consents to findings of fact and violations consistent with the statements contained in the offer required by paragraphs 13.1(a) and 13.1(b);
- (d) Proposed Commission action to be taken and a statement that the certificant or registrant consents to the proposed Commission action; and
- (e) A waiver of all rights of appeal to CFP Board's Appeals Committee and the courts or to otherwise challenge or contest the validity of the Order issued if the Offer of Settlement is accepted.

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### 13.2 Acceptance of Offer

If an Offer of Settlement is accepted by a Hearing Panel, the decision of the Hearing Panel shall be reviewed by the Commission. The Commission's decision to affirm the decision of the Hearing Panel to accept the Offer of Settlement shall conclude the proceeding as of the date the Offer of Settlement is accepted. If the Offer of Settlement includes a penalty of revocation or suspension, the revocation or suspension shall become effective immediately upon acceptance by the Hearing Panel and affirmation by the Commission.

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### 13.3 Rejection of Offer; Counter Offer

If the Offer of Settlement is rejected by a Hearing Panel, the Offer of Settlement shall be deemed void and the matters raised in the Complaint will be set for hearing at the next meeting of the Commission. The certificant or registrant shall not be prejudiced by the prior Offer of Settlement, and it shall not be given consideration in the determination of the issues involved in the pending or any other proceeding.

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If the Hearing Panel deems it appropriate, it may make a Counter Settlement Offer to the certificant or registrant modifying the proposed finding(s) of fact, violation(s) and/or discipline. If the Counter Settlement Offer is rejected by the certificant or registrant, the Offer of Settlement and Counter Settlement Offer shall be deemed void and the matters raised in the Complaint will be set for hearing at the next meeting of the Commission. The certificant or registrant shall not be prejudiced by the prior Offer of Settlement or the Counter Settlement Offer, and neither shall be given consideration in the determination of the issues involved in the pending or any other proceeding.

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### 13.4 Publication

In the event proceedings pursuant to Article 13 result in a permanent revocation, or suspension, or otherwise result in a termination of the right to use the marks, it shall be standard procedure to publish such fact together with identification of the certificant or registrant in a press release, or in such other form of publicity as is selected by the Commission.

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## ARTICLE 14: REQUIRED ACTION AFTER REVOCATION OR SUSPENSION

After the entry of an order of revocation or suspension is final, the certificant or registrant shall promptly terminate any use of the marks and in particular shall not use them in any advertising, announcement, letterhead or business card.

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## ARTICLE 15: REINSTATEMENT AFTER DISCIPLINE

### 15.1 Reinstatement After Revocation

Revocation shall be permanent, and there shall be no opportunity for reinstatement.

### 15.2 Reinstatement After Suspension

Unless otherwise provided by the Commission in its order of suspension, a certificant or registrant who has been suspended for a period of one (1) year or less shall be automatically reinstated upon the expiration of the period of suspension, provided the certificant or registrant files with CFP Board within thirty (30) calendar days of the expiration of the period of suspension an affidavit stating that the suspended certificant or registrant has fully complied with the order of suspension and with all applicable provisions of these *Procedures*, unless such condition is waived by the Commission in its discretion. A certificant or registrant who has been suspended for a period

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longer than one (1) year must petition the Commission for a reinstatement hearing within six months of the end of his/her suspension, or failure to do so will result in administrative relinquishment. Before any reinstatement hearing will be scheduled, the certificant or registrant must meet all administrative requirements for recertification, pay the reinstatement hearing costs and provide evidence, if necessary, that all prior hearing costs have been paid. At the reinstatement hearing, the certificant or registrant must prove by clear and convincing evidence that the certificant or registrant has been rehabilitated, has complied with all applicable disciplinary orders and provisions of these *Procedures*, and that the certificant or registrant is fit to use the marks.

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### 15.3 Investigation

Immediately upon receipt of a petition for reinstatement, CFP Board Counsel will initiate an investigation. The petitioner shall cooperate in any such investigation, and CFP Board Counsel shall submit a report of the investigation to the Commission which shall report on the petitioner's past disciplinary record and any recommendation regarding reinstatement.

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### 15.4 Successive Petitions

If an individual is denied reinstatement, he/she must wait two (2) years to again petition for reinstatement. The second petition must be received by CFP Board within six (6) months of the expiration of the two (2) year period, and failure to submit a second petition within this time period will result in the individual's right to use the marks being administratively relinquished. If the second petition is denied, the individual's right to use the marks shall be administratively relinquished.

### 15.5 Reinstatement Fee

Petitioners for reinstatement will be assessed the costs of the reinstatement proceeding.

## ARTICLE 16: CONFIDENTIALITY OF PROCEEDINGS

### 16.1 Confidentiality

Except as otherwise provided in these *Procedures*, all proceedings conducted pursuant to these *Procedures* shall be confidential and the records of the Commission, Hearing Panel, CFP Board Counsel and CFP Board staff shall remain confidential and shall not be made public.

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### 16.2 Exceptions to Confidentiality

The pendency, subject matter and status of proceedings conducted pursuant to these *Procedures* may be disclosed if (1) the proceeding is predicated on criminal conviction or professional suspension as defined herein; or (2) the

certificant or registrant has waived confidentiality; or (3) such disclosure is required by legal process of a court of law or other governmental body or agency having appropriate jurisdiction; or (4) in proceedings involving a consumer, CFP Board staff contacts the consumer and/or the certificant's or registrant's current and/or former employer to request documents relevant to the proceeding.

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## ARTICLE 17: GENERAL PROVISIONS

### 17.1 Quorum

A majority of members of the Commission shall be present in order to constitute a quorum of such Commission, and the approval of a majority of the quorum shall be the action of such Commission.

### 17.2 Notice and Service

Except as may otherwise be provided in these *Procedures*, notice shall be in writing and the giving of notice and/or service shall be sufficient when made either personally or by certified mail or overnight mail sent to the last known address of the certificant or registrant according to the records of CFP Board.

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### 17.3 Costs

In all disciplinary cases wherein a hearing is convened, the Commission will assess against the certificant or registrant the costs of the proceedings. In addition, a certificant or registrant who desires an appearance, whether telephonically or in person, or who submits an Offer of Settlement pursuant to Article 13, will be required to submit hearing costs not less than thirty (30) days prior to the date of the scheduled hearing. In the event that the hearing results in a dismissal without merit, the hearing costs shall be refunded to the certificant or registrant. Hearing costs will not be refunded if the hearing results in any action other a dismissal without merit. A certificant or registrant who petitions for reinstatement from a suspension or revocation or who petitions for appeal shall bear the costs of such proceeding.

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*Financial hardship.* In the event a certificant or registrant is unable to pay the required hearing costs due to financial hardship, the certificant or registrant may submit a written statement explaining his or her financial situation and request a deferral, reduction or waiver of the hearing costs. Upon receipt and review of such request, CFP Board Counsel shall have the discretion to defer, reduce or waive the required hearing costs. All written requests for a reduction or waiver of hearing costs due to financial hardship must be submitted at least forty-five (45) days prior to the date of the scheduled hearing.

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### 17.4 Electronic Signature

Some documents that require a handwritten signature may be submitted electronically through CFP Board's closed Web site. Any document received by CFP Board through this process shall constitute conclusive proof

that: (1) the certificant or registrant whose name appears on the document submitted such document; and (2) the certificant or registrant intended to be bound by the terms and conditions contained therein. Accordingly, the document shall be as legally binding as any containing a handwritten signature.

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#### ANONYMOUS CASE HISTORIES

Anonymous case histories are available upon request to CFP Board.