



CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

2010 ANNUAL REPORT

MISSION STATEMENT

The mission of Certified Financial Planner Board of Standards, Inc. is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for competent and ethical personal financial planning.

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CHAIR'S MESSAGE



The year 2010 was a special one for CFP Board. In July, we celebrated CFP Board's 25th anniversary of granting and upholding the CFP® certification as the standard of excellence for financial planning. The CFP® certification program has come a long way since CFP Board was established in 1985. In the 1980s, the comprehensive two-day CFP® Certification Examination was still being developed, and the number of individuals certified by CFP Board just reached the 20,000 mark by 1990. Today, the CFP® certification requirements are recognized as the strongest within the financial planning profession, and we are more than 60,000 strong.

The strength of the CFP® certification wasn't a foregone conclusion. Its strength today is a testament not only to the many CFP® professionals and others who have supported the CFP® professional community throughout the years; It is a testament to every financial planner who lives up to the standards of the CFP® marks.

With the effects of the recent recession still being felt deeply, and with market volatility contributing to the complexity of the financial decisions individuals and families must make, Americans need more than ever what CFP® professionals have to offer. We celebrated CFP Board's silver anniversary with a message of hope: tens of thousands of CFP® professionals across the U.S. are prepared to help consumers with their personal finances during this volatile period and come out stronger, smarter and better prepared.

In November 2010, the Board of Directors reviewed an extensive research-based study of the feasibility of a large-scale, national public awareness campaign to increase awareness of CFP® professionals. The proposal was developed after extensive qualitative and quantitative research with consumers and CFP® professionals, careful review of feedback from CFP® professionals, and consideration of multiple options. After much discussion, and with a great sense of excitement, the Board unanimously adopted a resolution authorizing CFP Board to proceed with the campaign. We believe, based on input from the vast majority of CFP® professionals, that a public awareness campaign is an essential next step and that a coordinated, targeted and appropriately funded campaign will have a real impact on public awareness of the CFP® certification in coming years.

CFP Board has a renewed sense of purpose and mission and looks forward to the next 25 years to grow, and establish financial planning as a recognized and regulated profession that benefits the public.

A handwritten signature in black ink that reads "Charles A. Moran". The signature is written in a cursive, flowing style.

Charles A. Moran, CFP®, CEBS, JD
2011 Chair, Board of Directors, CFP Board

MESSAGE FROM THE CEO



Reviewing CFP Board's accomplishments during 2010 prompted a few reflections on the changes at CFP Board during recent years that I would like to share.

The visionaries who established CFP Board more than 25 years ago saw the organization as leading the movement to establish financial planning as a recognized and respected profession that would serve the public. Leadership is naturally something that has been expected of CFP Board. And yet, this is an area where many have found fault over the years. Some have considered CFP Board "insular" — an organization so focused on its own exclusive concerns, or on the limitations imposed by its 501(c)(3) non-profit status, that it refused to engage with the important issues facing the profession. To many, CFP Board was at risk of becoming irrelevant to the financial planning profession, even with the growing strength and recognition of the CFP® certification.

Today, it is evident that CFP Board has changed. We actively encourage and seek out input. We continue to raise the bar for professional standards within the profession. We are engaged in the conversations that will determine the future of the financial planning profession so that it will continue to serve the public. We are leading the profession's work to establish financial planning as a recognized and regulated profession. We have found our voice in our nation's capital, and it is one recognized as a clear and influential voice on behalf of consumer interests.

Our accomplishments during recent years are impressive. We have essentially re-built the organization. At the same time, we have brought it into alignment with many of the visionary ideals on which it was founded.

What I am especially proud of is how our recent accomplishments have made us a relevant organization. We share with our stakeholders a clarity of purpose, we have developed the capacity to reach our ambitious goals, and we have demonstrated leadership in the strategic coalition building needed to make the most of opportunities before us. With our success in strengthening the organization's long-term viability, capacity, growth and relevance, I believe CFP Board is poised to make important contributions to the ongoing evolution of financial planning, while it pursues its mission of benefitting the public.

A handwritten signature in black ink that reads "Kevin R. Keller". The signature is written in a cursive, flowing style.

Kevin R. Keller, CAE
Chief Executive Officer, CFP Board

YEAR IN REVIEW

CFP Board's successes in 2010 bolstered the reputation and relevance of CFP Board and CFP® certification and have established launching points for the next stages of our mission to serve the public.

With a public policy department established for not quite two years, CFP Board and its partners in the Financial Planning Coalition – the Financial Planning Association and the National Association of Personal Financial Advisers – successfully engaged our nation's legislators and secured important provisions in historic financial services regulatory reform legislation. One provision authorized the U.S. Securities and Exchange Commission to exercise its rulemaking authority to extend the Adviser Act fiduciary standard of care to the delivery of investment advice by broker-dealers. Another provision required the Government Accountability Office to conduct a study examining the current regulation of financial planning – the first government-sponsored study focused distinctly on financial planning apart from other financial services providers.

Several important initiatives strengthened the rigor and relevance of the standards for CFP® certification. Following an innovative approach to CFP Board's periodic Job Analysis Study, a new exam blueprint was established and a new curricular framework developed. With the task-focused results of the 2009 Job Analysis Study, the CFP® Certification Examination will test beyond theoretical concepts to assess the ability of individuals to integrate and apply financial planning knowledge to real-life situations. The adoption of a capstone course requirement for CFP Board-registered education programs ensures that future CFP® professionals will have demonstrated their ability to develop and communicate financial planning to clients.

The value of CFP® certification and importance of CFP Board's mission were communicated broadly during 2010. CFP Board's 25th anniversary provided a special opportunity for celebration and publicity. Our Consumer Advocate took CFP Board's messages to American consumers with a multimedia "Lifelong Financial Strategies" initiative that shared 25 personal finance tips over 25 weeks. The promotion of *CFP Board's Consumer Guide to Financial Self-Defense* highlighted the organization's focus on consumer protection. CFP Board's successful Financial Planning Clinic model was extended through strategic partnerships with other financial planning organizations and local government agencies through the groundbreaking Financial Planning Days initiative. The stage was set for even wider distribution of CFP Board's messages for consumers through a thorough and thoughtful planning process for the first major public awareness campaign to increase awareness of CFP® professionals and how they serve the public.

The following sections of this report, each focused on CFP Board's 2010 accomplishments related to our core objectives, demonstrate how the activities of this year brought new relevance to CFP Board and the CFP® certification and have positioned them well for the future.

CORE OBJECTIVES

Six core objectives serve as the foundation of CFP Board's strategic plans:

- **Credentialing:** Provide the most rigorous financial planning credentialing process that is valid, reliable and legally defensible.
- **Education:** Establish and enforce educational standards for enhancing the knowledge, skills and abilities of current and potential CFP® certificants.
- **Enforcement:** Protect the public's interest through rigorous, ongoing enforcement of CFP Board's *Standards of Professional Conduct*.
- **Communication:** Build the CFP® certification brand as the recognized standard of excellence in financial planning; and promote its understanding and acceptance among the public and other stakeholders.
- **Advocacy:** Influence policy to benefit the public and increase access for all to competent and ethical financial planning.
- **Sustainability:** Strengthen CFP Board's capacity to achieve its mission and serve all stakeholders in a timely, accurate and professional manner.

The activities accomplished in each of these areas are described in the following pages.



ADVOCACY

Recognition of the need for CFP Board to become an effective and aggressive advocate for wise public policy was a primary reason for the organization's relocation to Washington, DC in late 2007. To realize CFP Board's mission and enhance its relevance and long-term viability, it was clear that CFP Board needed a strong and active voice on behalf of regulatory reform that recognizes the public benefits of a financial planning profession united in its support of a fiduciary standard of care for clients.

During 2010, CFP Board worked diligently with the Financial Planning Coalition (Coalition) to develop and advocate a legislative proposal setting forth a clear position on regulation of financial planning as a distinct profession, based on extensive research and input from the CFP® professional community. The Coalition's call for a national oversight board for financial planners was a bold and essential development for the financial planning profession, and we successfully secured a provision in the historic Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) requiring the Government Accountability Office to conduct a study of the need for regulation of financial planning. This study represents the first time in history that the government has addressed financial planning apart from other financial services providers. Without our proposal and our leadership within the Coalition, the national debate on regulatory reform may have continued without specific consideration for the unique and important role financial planners play in the lives of so many Americans.

CFP Board and our Coalition partners, in concert with a broader coalition of public interest, state and industry organizations, also successfully secured a second provision in Dodd-Frank giving the U.S. Securities and Exchange Commission (SEC) authorization to extend the Adviser Act fiduciary standard of care to the delivery of investment advice by broker-dealers. This provision generated significant opposition from influential segments of the financial services industry, and CFP Board led high-profile efforts to advocate the important public benefits the public will receive from a fiduciary standard for broker-dealers who provide investment advice, encouraging the SEC initiate a rulemaking to adopt the fiduciary standard for broker-dealers.

CFP Board engaged with a number of other public policy issues during the past year, including a third study resulting from Dodd-Frank requiring the SEC to address questions of the appropriate oversight for investment advisers. Following a framework developed by CFP Board's Public Policy Council for identifying public policy issues and positions central to and consistent with CFP Board's mission, CFP Board took formal positions on a range of regulatory issues affecting financial planners and their clients, including target date funds, mutual fund 12b-1 fees, lifetime income options, a new IRS registration requirement for paid income tax preparers, core competencies for financial education, equity indexed annuities and senior investor protections.

CFP Board's strategic approach to advocacy on legislative and regulatory issues has been developed alongside robust and coordinated public relations efforts. The financial trade press and consumer-facing media have featured and often endorsed the positions of CFP Board and the Coalition, whose leadership has been sought out for participation in important public discussions with policymakers and thought leaders. CFP Board and the Coalition were honored with an invitation to provide testimony before the Senate Special Committee on Aging hearing on lifetime income options. CFP Board's leadership in public policy, and our work with our Coalition partners, has given the financial planning profession a strong, clear and influential voice during important policy discussions.

In less than two years, CFP Board has built a robust and focused public policy capacity, earned a reputation as a leading pro-consumer advocate, and exceeded expectations for the type of role an organization like CFP Board can play in national policy debates.

ADVOCACY

Achievements

- Successfully secured — in concert with FPA and NAPFA (Financial Planning Coalition) — a Government Accountability Office (GAO) study of the need for regulation of financial planning in the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Successfully secured — in concert with the Financial Planning Coalition and a coalition of public interest, state and industry organizations — SEC authorization to extend the Adviser Act fiduciary standard of care to the delivery of investment advice by broker-dealers in the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Advocated, by letter and meetings, that the SEC initiate a rulemaking to adopt the fiduciary standard for broker-dealers.
- Advocated aggressively — in concert with the Financial Planning Coalition — for a professional oversight board for financial planning.
- Worked with GAO to provide extensive data in support of regulation of financial planning.
- Issued written positions to the Department of Labor, Department of Treasury, Internal Revenue Service and U.S. Securities and Exchange Commission on a range of financial planning-related issues.
- Provided testimony before the Senate Special Committee on Aging hearing on lifetime income options.
- Established an online grassroots advocacy capability and utilized that capacity to launch four targeted grassroots action campaigns, generating 2,683 comments to Congressional representatives in support of CFP Board policy initiatives.
- Engaged in a comprehensive communications campaign in support of our legislative agenda that resulted in national, political, trade and local press coverage, including multiple stories and editorials supportive of the positions held by CFP Board and the Coalition.

COMMUNICATION

Communication strategies are vital to CFP Board's objective of increasing consumer demand for services and information from competent and ethical financial planners, and to increasing the number of CFP® professionals available to meet growing consumer demand. By year's end, CFP Board and its communications initiatives generated participation by more than 17,300 stakeholders and achieved 318 million media impressions.

CFP Board's communications with external stakeholders — the public and the media — focus on enhancing the recognition and prestige of the CFP® certification marks and positioning CFP® professionals as the most competent and ethical professionals within the financial services industry. Additional resources devoted to media outreach in 2010 resulted in high-profile coverage of CFP Board and its leadership in the financial trade press and publications with broader readership. Celebration of the organization's 25th anniversary included placement of a paid advertisement in *The Wall Street Journal* and other publications, supplemented with a news conference and ongoing promotion of this milestone in CFP Board's work to benefit the public.

Reinvigorated media outreach ensured that the public receives a steady stream of information about the rigor of the CFP® certification and the value of working with financial planners certified by CFP Board. Much of our consumer-facing media outreach was delivered by CFP Board's Consumer Advocate, Eleanor Blayney, CFP®, who shared messages about the importance of financial planning. Our Consumer Advocate's "Lifelong Financial Strategies" campaign provided consumers with 25 personal finance tips over 25 weeks, presented in a multimedia format coordinated and promoted through CFP Board's expanded social media resources. The release of CFP Board's first new consumer publication in many years — *CFP Board's Consumer Guide to Financial Self-Defense*, written by our Consumer Advocate — received prominent media coverage, and partnerships were secured with the Government Services Administration and the National Football League Players Association to distribute the publication to consumers. To supplement the voice of our Consumer Advocate in important local media markets, dedicated and enthusiastic CFP Board Ambassadors were recruited in seven regions across the country.

Work to coordinate and host financial planning clinics that connect CFP® professionals with the public expanded through a collaboration with the U.S. Conference of Mayors, the Financial Planning Association and the Foundation for Financial Planning. The Financial Planning Days initiative resulted in pro bono events held during October and November in 20 cities across the country. The successes with this initiative's inaugural year provide a strong foundation for coordinating future events that reach Americans directly with the benefits of financial advice delivered by CFP® professionals.

CFP Board continues to invite and encourage two-way communication with CFP® professionals and internal stakeholders — including providers of financial planning education and representatives of financial services firms — on issues of importance to the CFP® professional community and the public that seeks professional financial planning services. More than 7,000 CFP® professionals were engaged through an online survey focused on CFP Board's exploration of a public awareness campaign to increase awareness of CFP® professionals, and more than 600 CFP® professionals around the country attended CFP® Certificant Connection events to share their thoughts on the merits of such a campaign.

CFP Board's new marketing team completed an extensive research-based feasibility study for an advertising and public relations campaign and received Board approval to move forward with the campaign. The upcoming public awareness campaign has real potential to make a significant impact on public awareness of the CFP® certification — something that stands to provide value for all CFP® professionals and real benefits for the many Americans who can improve their lives with the assistance of competent, ethical and professional financial planning.

Achievements

- Completed a feasibility study for a large-scale advertising and public relations campaign to increase awareness of CFP® professionals, including extensive dialogue with the CFP® professional community and received Board approval to move forward with the campaign.
- Implemented stakeholder communication strategies that encouraged productive dialogue between CFP Board and the CFP® professional community, generating participation from more than 17,300 stakeholders (a number representing over 28% of the CFP® professional population).
- Generated 318 million media impressions and 764 articles featuring CFP Board, its programs, Consumer Advocate or its leadership.
- Produced high-profile coverage of CFP Board and Consumer Advocate program in the *New York Times*, *The Washington Post*, *Kiplinger's*, *National Journal*, *Dallas Morning-News*, *The Wall Street Journal* and other prominent consumer media.
- Promoted CFP Board's 25th anniversary with the release of a consumer study and telephone news conference that generated 40 news articles (online and print) and a radio media tour resulting in 4.5 million media impressions.
- Published *CFP Board's Consumer Guide to Financial Self-Defense* and secured partnerships with the Government Services Administration and the National Football League Players Association to distribute the publication to consumers.
- Released CFP Board's Consumer Advocate's *Lifelong Financial Strategies (25 Tips Over 25 Weeks)* campaign initiative, which included videos, podcasts and social media elements.
- Expanded CFP Board's social media resources, generating more than 20,000 new engagements during 2010 (compared to 18,500 total engagements through social media in the years before 2010).
- Hosted 20 pro bono Financial Planning Days events throughout the country in collaboration with the U.S. Conference of Mayors, the Financial Planning Association and the Foundation for Financial Planning.
- Coordinated seven additional Financial Planning Clinic events in collaboration with FPA, America Saves, the Chicago FED, AARP, Jump\$tart Coalition and Southwestern University.
- Received a citation by the Financial Education and Literacy Commission for CFP Board's work on national financial literacy core competencies.
- Launched the new CFP Board Ambassador program consisting of seven ambassadors throughout the country spreading our Consumer Advocate's messages to the public.

CREDENTIALING

As a credential modeled on the highest standards used by the established professions, CFP® certification is not only the most rigorous credentialing process in the financial planning profession, but is recognized as a model of best practices for credentialing organizations in other professions. 2010 brought continued growth to the CFP® professional population, important strides forward to strengthen the relevance of the CFP® Certification Examination and expanded CFP Board's influence and connections among the professional certification community and other high stakes testing organizations.

The results of CFP Board's 2009 Job Task Analysis were used to develop a new blueprint for the CFP® Certification Examination which will be tested on the March 2012 and later administrations of the exam. Eight Job Task Domains will serve as the exam blueprint, and a list of Principal Topics under those domains has been developed to serve as a curricular framework. Substantial work was completed on the integration of the new exam blueprint to our exam development process, and regular communications about the upcoming changes to the exam specifications were distributed to stakeholders throughout the year. The task-based focus of the recent Job Analysis Study and the resulting exam blueprint bolsters the ongoing relevance of CFP Board's examination requirements.

With goals of staying abreast of best practices and reinforcing CFP Board's visibility as a source of certification and testing expertise, CFP Board staff increased participation in meetings and conferences for high stakes testing and certification organizations. Examinations staff participated in the D.C. Certification Network Group Meetings for representatives of high-profile certification and licensure programs and attended the Testing Agencies Disability Forum (TADF), an invitation-only conference focused on current and emerging high-stakes testing issues for persons with disabilities, and testing program compliance with ADA requests for special testing accommodations. CFP Board examinations staff also presented at the 2010 Institute for Credentialing Excellence (ICE) Conference, the national annual conference of the accrediting body for the National Commission for Certifying Agencies (NCCA), which provides the accreditation for the CFP® Certification program.

During 2010, key security issues related to our exam administration were also addressed. A Test Security Audit team of highly qualified test security professionals from four major testing programs was convened to complete an onsite review and written assessment of CFP® Certification Examination security. Onsite audits of test sites were also conducted by Council on Examinations members and CFP Board staff. CFP Board continues its diligence in subjecting its requirements and processes to ongoing scrutiny, eager to identify ways in which they might be strengthened for the benefit of CFP® professionals and the public they serve.

CREDENTIALING

Achievements

- Increased total number of CFP® professionals to 61,951 (2.2% increase over 2009).
- Successfully renewed 28,396 (93.4%) of the 30,389 CFP® professionals scheduled to renew during 2010.
- Registered 6,585 individuals to take the CFP® Certification Examination.
- Applied the results of CFP Board's 2009 Job Analysis Study to CFP Board's exam development process, including:
 - Mapping the item bank for recoding to new blueprint;
 - Completing coding of new items to 2012 exam blueprint completed;
 - Developing more than 500 new exam items across 50 case scenarios; and
 - Completing new exam specifications and psychometrics in preparation for Standards Setting Exercise.
- Defined a new item development process and completed two Item Writing Workshops that engaged more than 40 volunteer subject matter experts.
- Participated in meetings and conferences for high stakes testing organizations, including the Testing Agencies Disability Forum (TADF) and the 2010 Institute for Credentialing Excellence (ICE) Conference.
- Assembled a Test Security Audit team, consisting of test security professionals from four major testing programs, which completed an onsite review and written assessment of CFP® Certification Examination security.
- Initiated onsite auditing of test sites by CFP Board staff and members of the Council on Examinations.
- Evaluated the ANSI/ISO/IEC 22222 *Standard for Personal Financial Planners*, and reviewed requirements for ANSI 17024 Accreditation.

EDUCATION

The education requirements for CFP® certification — both the initial and ongoing education requirements — develop the professional competency of financial planners so they may help consumers meet their goals through proper financial management. With hundreds of CFP Board-Registered Programs and tens of thousands of continuing education courses available to meet this demand for education, uniform standards and clear communication with course providers are critical to the quality of CFP Board's administration of educational standards.

In 2010, CFP Board adopted the first major addition to the content requirements for Registered Programs since the creation of our model financial planning curriculum: a capstone course requirement for the curricula of our registered college and university programs. This new course — required for students of CFP Board-Registered Programs whose initial dates of matriculation occur in or after January 2012, and for individuals challenging the March 2012 or later administrations of the CFP® Certification Examination — will require future CFP® professionals to demonstrate their ability to integrate and apply financial planning knowledge to real-life client situations. Students of these courses will be assessed on their development and communication of a financial plan to clients.

To assist Registered Programs in developing these capstone courses, CFP Board developed criteria in the form of student-centered learning outcomes, providing institutions with specific requirements each course must meet, but allowing flexibility in how the course is designed to achieve the stated learning objectives. During the course of 2010, CFP Board's education staff was engaged in ongoing conversation with many Registered Programs with regard to the development and implementation of the capstone course.

As CFP Board worked with Registered Programs to develop capstone courses, work also continued to ensure that other aspects of each program align with CFP Board's education standards. All Registered Programs were comprehensively evaluated based upon annual registration criteria, and an evaluation letter was delivered to each program with a detailed outline of the program's strengths and weaknesses, based upon CFP Board criteria and best practices in curriculum and instruction.

CFP Board implemented a similar review process for continuing education sponsors, alongside the new annual registration process and significantly revised registration fee schedule that took effect January 2010. A random audit process was established to assess whether accepted continuing education programs conform with CFP Board's standards, and 496 random audits were initiated during 2010. The annual registration processes for continuing education programs, and active processes for reviewing programs registered with CFP Board for compliance with our continuing education standards, help ensure that CFP® professionals continue to have access to a wide variety of quality continuing education options to maintain competency.

EDUCATION

Achievements

- Registered 17 new educational programs, bringing the total number of CFP Board-Registered Programs to 327 programs housed at 202 institutions.
- Integrated the results of the 2009 Job Analysis Study into the CFP Board-Registered Program curriculum requirements outline and communicated the updated requirements to educators and other stakeholders.
- Subjected all Registered Programs to a comprehensive evaluation based upon registration criteria, providing each Registered Program with a detailed letter outlining strengths and weaknesses of the program based upon CFP Board criteria and best practices in curriculum and instruction.
- Developed criteria for the capstone course requirement in the form of student-centered learning outcomes and held discussions regarding the requirement and its implementation with more than half of the institutions that house registered programs.
- Assembled two new working groups designed to develop resources and guidelines for several areas associated with curriculum and instruction at Registered Programs.
- Hosted successful Program Directors' Conference in Washington, DC.
- Drafted learning objectives and updated requirements (including instructor criteria) for continuing education programs on CFP Board's ethical standards.
- Initiated 496 random audits of continuing education programs to assess their conformity with CFP Board's standards.

ENFORCEMENT

A central part of CFP Board's work to uphold the CFP® certification as the standard of excellence for personal financial planning is its enforcement of CFP Board's *Standards of Professional Conduct (Standards)* through a process that is fair to participants and credible to the public. CFP Board's *Standards* have raised the bar for professionalism within the financial services industry and established the fiduciary standard as the standard to be expected by the public that seeks financial advice. CFP Board's active enforcement of ethical standards sets it apart from the many other credentials that have proliferated in the financial services industry.

The number of hearings held by CFP Board's Disciplinary and Ethics Commission (Commission) increased significantly in 2010, with 103 hearings held (compared to 56 and 84 hearings held in 2008 and 2009, respectively). That change resulted from improvements to internal processes used by staff to identify and prioritize cases requiring review by the Commission, as well as to increased enforcement efforts by regulators following the recent recession and to increased occurrences of CFP® professionals who have filed for bankruptcy or failed to repay loans. Successful efforts to ensure that only matters serious enough to require review by the Commission are scheduled for hearing resulted in no cases being dismissed by the Commission as not having merit (in both 2008 and 2009, the Commission dismissed five cases as not having merit). Public disciplines issued by the Commission included 17 public letters of admonition and 30 suspensions of certification, a four- to six-fold increase over the number of disciplines issued in 2009.

In 2010, attention was given to enhancing the consistency and relevance of decisions by integrating within CFP Board's enforcement process the use of CFP Board's newly-developed sanction guidelines and enhanced anonymous case histories. The establishment of sanction guidelines is an important development in the ongoing improvement of our enforcement function. CFP Board successfully provided training to Commission members on the use of these resources, and new procedures were implemented so that the resources are considered during the review of all disciplinary cases, ensuring that disciplinary decisions are consistent with sanction guidelines and any relevant case histories, or that the Commission's rationale for deviating from those guidelines and precedent is clearly identified.

CFP Board continued work to increase the efficiency of its enforcement processes by enhancing the accuracy of information reported by CFP® professionals and applicants for CFP® certification on the Declaration section of their certification applications. In 2010, proposed revisions to the questions in the Declaration section were tested for clarity through confidential survey of CFP® professionals and candidates for CFP® certification. The Commission approved the revised Declaration questions for implementation in 2011. CFP Board also implemented internal auditing systems to expedite the processing of background checks — required as the final step before CFP® certification is granted — for every individual submitting a CFP® Certification Application.

The value of CFP Board's *Standards of Professional Conduct* depends greatly on the how well CFP® professionals understand those *Standards*, and 2010 brought continued efforts to provide quality education on the content and application of CFP Board's *Standards*, including the development of a revised document of "Frequently Asked Questions" that provides guidance on the *Standards*, and through the development of educational webinars for CFP® professionals.

ENFORCEMENT

Achievements

- Held 103 disciplinary hearings (an increase of 23% over 2009), none of which resulted in cases being dismissed as not having merit.
- Implemented training and procedures to ensure that CFP Board's new sanction guidelines and enhanced anonymous case histories are considered for each disciplinary case during hearing panel deliberations, and by the full Disciplinary and Ethics Commission during ratification.
- Adopted re-stated and expanded questions for the Declaration section of CFP® certification applications.
- Implemented procedures to expedite the completion of background checks for individuals applying for CFP® certification.
- Continued efforts to provide quality education on the content and application of CFP Board's *Standards of Professional Conduct*, including updating a document of "Frequently Asked Questions" on the *Standards* and preparing two educational webinars.

SUSTAINABILITY

Nearly 62,000 CFP® professionals depend on CFP Board to maintain the standard of excellence that motivated them to earn the marks, and CFP Board works to ensure that the support they provide the organization is not only self-sustaining, but also enables CFP Board to thrive far into the future. CFP Board's mission of benefitting the public is dependent upon its ability to sustain ourselves as a financially viable, functioning organization.

CFP Board's team of qualified professional staff, with the assistance of many talented and dedicated volunteers, moved forward to strengthen the validity and legal defensibility of the CFP® certification requirements. Efforts to protect CFP Board's trademarks continued with a special focus on the websites of continuing education sponsors. The number of CFP® professionals in the U.S. continued to grow during 2010, and CFP Board's net operating income for the year exceeded both the budgeted amount and mid-year projections. A solid revenue stream allows CFP Board to continue to benefit the public by granting CFP® certification and upholding it as the recognized standard of excellence. Adherence to best practices in accounting ensures that CFP Board's use of financial resources is prudent and aligned with the organization's goals.

The number of activities involving collaboration with volunteers and allied organizations grew significantly during the past year, with many notable successes. During 2010, volunteer participation increased by approximately 24% over 2009 numbers; in total, 105 volunteers contributed to CFP Board's Commissions, Councils, Task Forces and other groups during 2010, including new opportunities related to exam development, the financial plan development capstone course requirement and the CFP Board Ambassador program.

CFP Board continues to take steps to improve its ability to provide high-level services to stakeholders. An intensive multi-year process to overhaul CFP Board's certificant database was completed in November 2010 – on time and on budget. A “mystery caller” program continues to provide measurement and feedback regarding service levels from CFP Board's call center, and options have been researched for implementing an online survey instrument that will allow CFP Board stakeholders to report their satisfaction with services received from call center staff.

SUSTAINABILITY

Achievements

- Increased volunteer participation in CFP Board initiatives by 24% over 2009 participation, with a total of 105 volunteers engaged during the year.
- Reviewed the use of CFP Board's trademarks on the websites of 1,763 continuing education sponsors and addressed trademark misuse that appeared on approximately 10% of those sites.
- Researched options for measuring stakeholder satisfaction with service from CFP Board's call center.
- Completed overhaul of CFP Board's database and technology infrastructure in November 2010.

VOLUNTEER ACTIVITIES

CFP Board continues to benefit from the assistance of many talented individuals who have volunteered to assist in various capacities. CFP Board could not undertake the important work that it does without the generosity of CFP® professionals and other CFP Board stakeholders willing share their time and expertise.

For all of their activities in 2010, CFP Board thanks the members of the Board of Directors who set policy and direction for CFP Board's activities; the Disciplinary and Ethics Commission members who oversee CFP Board's disciplinary review process; the Council on Examinations members who hold the CFP® Certification Examination to the highest standards, and the other volunteers who support exam development activities; the Council on Education members who advise CFP Board staff on the development and clarification of all educational policies related to the CFP® certification process; the Public Policy Council members who are shaping CFP Board's advocacy work; CFP Board's Consumer Advocate and the CFP Board Ambassadors who are representing CFP Board with national and local media, policymakers and community organizations; the educators who shared insights from their experiences and research at CFP Board's Program Directors' Conference; and the many CFP® professionals who provided consumers with free consultations at Financial Planning Clinics and at Financial Planning Days events around the country.

2010 BOARD OF DIRECTORS

Chair

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A LOOK AHEAD

Even as CFP Board celebrated the milestone of its 25th anniversary, the focus has been on the future of the organization, the CFP® certification and how financial planning can benefit the public.

CFP Board is committed to ensuring that its credentialing process remains the most rigorous in the financial planning profession and a model for professional certifications within the U.S. and beyond. The coming year brings continued work with the new examination blueprint in advance of its first testing in March 2012, as well as continued work with CFP Board's education partners to implement recent updates to CFP Board's education standards. In 2011, CFP Board will also host a meeting for member organizations of Financial Planning Standards Board Ltd., engaging with international counterparts in important discussions regarding the global role of CFP® certification and the public benefit provided by the financial planning profession.

High-profile engagement with public policy issues is vital to the ongoing relevance of CFP Board and the financial planning profession. CFP Board will continue to advocate aggressively for regulation of financial planning, demonstrating leadership with the work of our Financial Planning Coalition and building new coalitions with other organizations and individuals who share our concern for consumer protection. As government agencies tackle how to implement recommendations and requirements in Dodd-Frank and other legislation, we will continue to monitor that progress closely to identify opportunities and strategies to advance the proposals CFP Board and our Coalition partners have put forward on behalf of the financial planning profession so that it can benefit the American public.

Perhaps most significantly, the coming year brings CFP Board's first sustained, large-scale public awareness campaign, sharing with the public the work that has been accomplished to establish the CFP® certification as the standard of excellence for personal financial planning. The organization's multi-year commitment to this campaign demonstrates an awareness that the strength and relevance of the CFP® certification depend on widespread recognition and appreciation of CFP® professionals and the value they provide to the American public.

It has taken 25 years for CFP Board to arrive where it is today. Looking back on the significant work accomplished together with CFP® professionals, financial planning educators, allied organizations and others in recent years, CFP Board's mission and the CFP® certification have never been more relevant for the American public.

WWW.CFP.NET

Visit our website for additional information about CFP Board's work to accomplish its mission to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for competent and ethical personal financial planning.

www.CFP.net/aboutus

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Additional resources are available to CFP® professionals in their online CFP Board accounts.



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