

CFP BOARD REPORT

News From Financial Planning's Professional Regulatory Organization

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60% Pass Rate for July Exam

Of the 2,104 individuals who sat for the July 2004 CFP® Certification Examination, 60 percent (1,266) passed. The CFP Board-administered, 10-hour, two-day exam was conducted at 50 sites nationwide and three internationally. For more information about the July exam, read the press release at www.CFP.net/media.

CFP Board Awards Annual Scholarships to Two Accounting Students


This summer, CFP Board awarded two \$1,000 scholarships to accounting students: David Spillane, a junior majoring in finance at University of New Mexico - Albuquerque and Crystal Coggins, a junior at Tennessee State University. CFP Board announced Spillane's award at the Association of Latino Professionals in Finance and Accounting annual conference, held during August in Chicago. Coggins' award was presented at the National Association of Black Accountants annual conference, held during July in Orlando, Fla. The annual scholarship program is part of CFP Board's Diversity and Education Outreach Initiative, which works to provide new opportunities in financial planning education among schools and colleges, including Historically Black Colleges and Universities.

CFP Board Modifies Policies for Late Renewals and Reinstatements

In January 2005, several modifications to CFP Board's renewal and reinstatement requirements and processes will take effect. The changes primarily affect those who are late in renewing their CFP® certification or those who wish to be reinstated after a lapse in certification.

According to Greg Opitz, managing director, certification services, the reasons for the modifications include clearer communication to the public regarding certification status, enhanced trademark protection and closer adherence to best certification practices, as outlined by the National Commission for Certifying Agencies (NCCA), the accrediting arm of the National Organization for Competency Assurance. CFP Board is accredited by the NCCA and must abide by its standards to maintain accreditation.

"The clearer the better," Opitz says. "It's best if an individual is identified as either 'certified' or 'not certified,' rather than using nebulous categories such as 'pending,' 'pending renewal' or 'CE exempt.' Eliminating the latter categories also lessens consumer confusion when inquiring about the status of a CFP certificant, which is important to CFP Board's public-benefit mission as a 501(c)(3) nonprofit organization."

Opitz says that the new policies provide added protection for the CFP®, CERTIFIED FINANCIAL PLANNER™ and  trade-marks because the modifications demonstrate to the U.S. Patent and Trademark Office that CFP Board is doing everything possible to maintain the integrity and value of the certification marks.

"The changes are important for all these reasons, but they are really non-issues for

the majority of certificants who renew on time," he concludes.

Following are the modifications that will take effect on January 1, 2005:

1. A "not certified" status will take effect on the first day after an individual's certification expires. At that time, the certificant's name will be removed from CFP Board's Web site, and the individual must cease use of the certification marks until certification is reinstated. All communications and responses to inquiries about a current or former CFP certificant will convey either a "certified" or "not certified" status. CFP Board will no longer retain a "not certified-pending renewal" status.
2. A \$75 late fee will be assessed to certificants who do not fulfill all renewal requirements – fees, application and continuing education (CE) – before expiration of the certification period.
3. The term "administrative relinquishment" will no longer be used for those who do not renew within 120 days of the renewal deadline. Instead, after 90 days of deficiency, the former certificant will be notified in writing of his or her deficiency and that there are additional requirements needed to reinstate. "Voluntary relinquishment" will be retained for those who voluntarily relinquish their certification before the expiration date.
4. Reinstatement requirements will be determined by the certification expiration date versus the currently used relinquishment date.
5. Reinstatement requirements will be modified to require fulfillment of the

Board of Governors

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CFP Board is directed by a Board of Governors which oversees four subsidiary boards. The Board of Governors establishes policy and oversees all CFP Board activities. Members serve four-year terms and a majority of Governors must be CFP® certificants. The CEO serves *ex-officio* as a Governor but does not have voting rights.

CFP Board Report is published to inform CFP® certificants, the profession and the public of CFP Board activities, policies and initiatives. A nonprofit professional regulatory organization, CFP Board fosters professional standards in personal financial planning so that the public values, has access to and benefits from competent and ethical financial planning. CFP Board does not discriminate in certification opportunities or practices on the basis of race, color, religion, sex, national origin, disability or any other characteristic protected by law.

CFP Board

1670 Broadway, Suite 600
Denver, CO 80202-4809
Toll-free. 800.487.1497
P. 303.830.7500
F. 303.860.7388
E. mail@CFP-Board.org
W. www.CFP.net



Executive VP's Message

CFP Board will soon welcome a new CEO, Sarah Ball Teslik. Sarah's credentials are outstanding, and I look forward to the leadership, experience and insight she will bring to CFP Board.

When I assumed the role of interim CEO 15 months ago, I had two goals: to keep CFP Board operating smoothly and to build a strong foundation that would enable a new leader to carry the organization forward. We have reported on some of our accomplishments in past issues of this newsletter: greater protection of the CFP certification marks, development of a model financial planning curriculum, streamlined disciplinary procedures, and more outreach to the public, to name a few.

Other efforts are not always as apparent, but our work behind the scenes has been equally important in strengthening CFP Board so that it can better fulfill its public-benefit mission. A few highlights:

- *After many months of discussion and negotiation, CFP Board and Financial Planning Standards Board Ltd. (FPSB) have signed a historic agreement that will benefit consumers around the world. (See story on back page.) We welcome the establishment of FPSB to develop and promote the international CFP marks so that CFP Board may focus its efforts on financial planning standards in the United States.*
- *We are taking additional steps to incorporate best practices for certifying bodies. As an example, we have adopted several modifications to certification renewal and reinstatement procedures to meet processes and policies recommended by the National Commission for Certifying Agencies. (See story on front page.) We are also following closely the developments in new international standards that International Organization for Standardization (ISO) has made for certifying bodies. This goes to the core of our business as a certifying body and is a critical area of emphasis for this organization.*
- *With the help of a volunteer task force of agencies and organizations representing the public and CFP® certificants, we are reviewing the Code of Ethics and Professional Responsibility with an eye toward streamlining and clarifying. As part of this review, a discussion is underway about how the concept of a financial planner's fiduciary responsibility to clients can be addressed. The conversation no doubt will continue as we ask for public comment on the Code of Ethic's revisions possibly early next year.*
- *We are working to improve all aspects of our business operations, including developing a modern technology platform to be rolled out in 2005, adopting new corporate bylaws and policies, strengthening internal legal reviews and revising the audit committee responsibilities.*

On a personal note, I would like to express my appreciation for a phenomenal year. It has been one of my most gratifying professional experiences and an opportunity to serve the public in ways that I never anticipated.

It has also been my privilege to work with a wonderful staff of people who have given endless hours and thought in applying their professional skills and creative abilities to all facets of this organization. Thank you.

Gary
Gary Diffendaffer, CFP®

Professionalism and Diligence Round Out Code of Ethics

Editor's Note: Previous issues of CFP Board Report have examined the first five principles of the Code of Ethics and Professional Responsibility. In this article, the last two principles, professionalism and diligence, are addressed. As used here "CFP Board designees" include both CFP® certificants and candidates for certification. To read the previous articles, go to the April and July issues of the archived newsletters at: www.CFP.net/boardreport.

Principle 6 – Professionalism. A CFP Board designee's conduct in all matters shall reflect credit upon the profession.

Because of the importance of the services rendered by CFP Board designees, there are attendant responsibilities to behave with professionalism. "This principle focuses on a CFP Board designee's conduct as it reflects on the CFP certification marks and the financial planning profession," explains Margaret Brock, director of professional review at CFP Board.

Under the principle of professionalism, CFP Board designees must abide by all applicable laws, rules and regulations of governmental agencies and other authorities, and must report to CFP Board any actions taken against the designee by such agencies or authorities. Certain actions, such as a criminal conviction or professional suspension, must be reported to CFP Board within 10 days. (See Article 12.2 of CFP Board's *Disciplinary Rules and Procedures*.) Other actions, for example, a client arbitration or NASD investigation, must be disclosed during the certification application or renewal processes, although the designee has the option of reporting earlier.

"The key message here is for designees to make sure that they are in compliance with the requirements of governmental agencies and regulatory bodies," Brock says. "If a designee is subject to an action by one of these bodies, that in itself could be grounds for discipline by CFP Board under the principle of professionalism. In addition, CFP Board will investigate the underlying conduct that resulted in the action, as well as any mitigating or aggravating circumstances in the case."

Also under the principle of professionalism, CFP Board designees must report any violations of the *Code of Ethics* by another designee to both CFP Board and other appropriate regulatory bodies. At the same time, a report must not be made merely to harass or embarrass the individual. "The rules governing this aspect of professionalism are simply saying that a designee must have a reasonable belief that the *Code of Ethics* has been violated, while being respectful of others in the profession and acknowledging that some disagreements are merely differences of opinion," Brock notes.

Principle 7 – Diligence. A CFP Board designee shall act diligently in providing professional services.

As defined by the *Code of Ethics*, diligence is the provision of services in a reasonably prompt and thorough manner. Diligence also includes proper planning for – and supervision of – the rendering of professional services.

"The issue of suitability pertains to this principle," Brock says. "CFP Board designees must make sure that their recommendations are in line with a

client's risk tolerance, investment objectives and financial situation. Designees must adequately research the products they recommend to clients, respond to clients promptly and be thorough in the services provided to clients."

Placing a client in a variable annuity when the client has no need of a death benefit is an example of a case CFP Board might hear that centers on the issue of suitability. Another example is selling a limited partnership or volatile stock to a client who is averse to risk. "It comes down to knowing your clients and their objectives, and making recommendations that are suitable for them," Brock says. "It's also a prudent practice to document in writing all client conversations and verbal decisions that could be used as evidence if a complaint of suitability is brought against you."

The requirement of diligence extends to supervisory activities as well. For example, if a CFP Board designee supervises an individual whose actions are in conflict with the *Code of Ethics*, the CFP Board designee could be held in violation of the *Code of Ethics* whether or not the subordinate is a CFP Board designee. "CFP Board designees must properly supervise their subordinates with regard to the delivery of financial planning services and must not accept or condone any subordinate's conduct that is in violation of the *Code of Ethics*," Brock explains.

"Diligence boils down to two main points," she concludes. "Know what your clients need and know what your subordinates do."

Renewal Policy Changes (... continued from front page)

Code of Ethics CE requirement in all cases. In addition, the overall CE requirement will be modified so that the amount of CE hours due to reinstate will equate with the amount of time not certified. For example, the requirement after one year will become 30 hours of CE that are past due plus

1.25 hours for each additional month of not being certified. The maximum amount of CE credit due (the month before five years without certification) would be 105 hours. After five years of not being certified, the requirement remains passing the CFP® Certification Examination.

6. The reinstatement fee will be increased to \$100.

7. The "inactive" or "CE exempt" status will no longer be granted. The approximately 390 individuals currently in this status will be asked to reactivate or voluntarily relinquish their certification.

Disciplinary Actions

CFP Board has reported the following disciplinary actions to various regulators, consumer groups, firms, membership groups and media outlets. To read the press release, go to www.CFP.net/media.

Revocations

- **Chad A. Carpenter, Denver, Colo.:** In August 2004, CFP Board permanently revoked Mr. Carpenter's right to use the CFP marks after he failed to respond to its complaint investigating his guilty plea to criminal felony charges of unauthorized use of a financial transaction device (credit card fraud), for which he received a one-year deferred sentence and was ordered to pay restitution, and a 1998 domestic violence city ordinance violation to which he pleaded guilty. Due to the seriousness of the criminal matter and the related media publicity, in June 2004, CFP Board suspended Mr. Carpenter's right to use the CFP marks on an interim basis while CFP Board conducted its investigation, which culminated in the complaint. Pursuant to the *Disciplinary Rules and Procedures*, because the respondent failed to respond to the complaint, the allegations in it were deemed admitted and an order of revocation was issued, permanently revoking his right to use the CFP marks.
- **Charles B. Davis Jr., Snellville, Ga.:** In June 2004, CFP Board permanently revoked Mr. Davis' right to use the CFP marks following its investigation of an NASD arbitration he disclosed in conjunction with his request to reinstate his certification, and its discovery of his use of the CFP marks for a period of approximately eight years, during which time he was not certified and unauthorized to do so. Mr. Davis' broker/dealer subsequently paid the client \$77,000 in settlement of the arbitration claim. After a hearing was conducted, CFP Board

found that 1) Mr. Davis invested the client's money in aggressive stock mutual funds inconsistent with the client's investment goals; 2) he misled the client by providing illustrations that did not apply to funds actually purchased; 3) he failed to disclose to the client the substantial withdrawal fee associated with withdrawing from the investment sooner than seven years; 4) he misrepresented the amount the client could withdraw from the client's portfolio and still maintain principal; 5) he failed to make a breakpoint disclosure to the client and did not hit breakpoints, even though he could have; 6) he filled out the client's new account form and erroneously listed the client as married; 7) he failed to disclose the NASD arbitration on his August 2002 certification renewal form, as required; 8) he became uncertified for failure to renew his certification, pay the related fees and submit the required continuing education as agreed; and 9) he used the CFP marks in a variety of documents while uncertified and unauthorized to do so.

- **Sandra K. Haines, Lewis Center, Ohio:** In May 2004, CFP Board permanently revoked Ms. Haines' right to use the CFP marks after Ms. Haines failed to respond to CFP Board's complaint investigating two 1998 civil lawsuits filed against her that she failed to disclose as required on the appropriate certification renewal forms, as well as a 1999 customer complaint, all related to insurance products that Ms. Haines allegedly misrepresented to clients. CFP Board's investigation also included Ms. Haines' repeated failure to respond to CFP Board's requests in a timely manner. Because Ms. Haines failed to respond to CFP Board's complaint, the allegations in the

complaint were deemed admitted and an order of revocation was issued.

- **Randy J. Tudor, Phoenix, Ariz.:** In July 2004, CFP Board permanently revoked Mr. Tudor's right to use the CFP marks after he failed to file an answer to CFP Board's complaint investigating a pending Arizona Board of Accountancy proceeding that Mr. Tudor disclosed to CFP Board on his certification renewal form. Because Mr. Tudor failed to file an answer to CFP Board's complaint, the allegations in CFP Board's complaint were deemed admitted and an order of revocation was issued.

Suspensions

- **Carl A. Engele, Bakersfield, Calif.:** In March 2004, CFP Board suspended Mr. Engele's right to use the CFP marks for a period of one year after its investigation of four customer complaints regarding unregistered securities and/or promissory notes from a particular company that were sold by Mr. Engele's wife, to whom Mr. Engele referred clients. After a hearing was conducted, CFP Board found that Mr. Engele's actions constituted a conflict of interest and that he failed to disclose this conflict of interest to his clients, as required. CFP Board also found that, as a result of his involvement with the particular investment products, Mr. Engele was terminated by his prior employer after its investigations revealed that he sold unregistered securities and failed to notify the employer of his outside business activities in a timely manner. In mitigation, CFP Board considered that Mr. Engele appeared to be remorseful and committed to using only products approved by his broker/dealer. In aggravation, CFP Board considered that three complaints

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Disciplinary Actions

(... continued from page 4)

regarding the investment products at issue were settled by Mr. Engele's employer for a large sum and that he used his family association to circumvent applicable rules and regulations.

- Gerald R. Stonehouse, Norwell/Hingham, Mass.:** In July 2004, CFP Board suspended Mr. Stonehouse's right to use the CFP marks for one year and one day after its investigation of an NASD letter of acceptance, waiver and consent (AWC) related to selling away and an offer of settlement with the Massachusetts Securities Division (MSD) for selling away, unsuitable investment strategy and violation of state laws. Mr. Stonehouse failed to notify CFP Board of his professional suspensions within 10 days as required. CFP Board also discovered that Mr. Stonehouse was the subject of three customer complaints relating to the investment at issue in the NASD AWC and MSD offer of settlement. After a hearing was conducted, CFP Board found that 1) Mr. Stonehouse entered into an AWC with the NASD, pursuant to which, without admitting or denying liability, he consented to findings that he participated in private securities transactions without prior written notice to or approval from his member firm, and to the imposition of a 30-day suspension from association with any NASD member and a \$5,000 fine; 2) the MSD suspended Mr. Stonehouse's broker/dealer agent and investment adviser representative licenses for one year in connection with his selling unregistered securities, failure to receive approval to conduct outside business activities and for violating state and federal securities laws; 3) Mr. Stonehouse failed to notify CFP Board of his professional suspensions within 10 calendar days as required; 4) Mr.

Stonehouse referred clients to an individual for an investment despite his broker/dealer's determination that the investment strategy was unsuitable; 5) he sold interests in a hedge fund after his broker/dealer disapproved the sale; 6) he sold investments to clients that were not approved by his broker/dealer; and 7) he was terminated for cause by his broker/dealer. In mitigation, CFP Board considered that Mr. Stonehouse believed he was acting in his clients' best interests. In aggravation, CFP Board considered that this was the second time Mr. Stonehouse came before the Board of Professional Review, and that he was informed by his broker/dealer not to implement the strategy at issue, but elected to do so anyway.

Public Letters of Admonition

- Douglas Wayne Blankenship, Addison, Texas:** In June 2004, CFP Board issued Mr. Blankenship a public letter of admonition, while allowing him to retain the right to use the CFP marks, after its investigation of 1) a customer complaint for which the customer was awarded damages; 2) a cautionary letter he received from the NASD with respect to a customer complaint alleging that he changed the investment allocation in a variable life insurance policy with only the clients' verbal, not written, consent and with respect to the fact that he signed numerous other customers' names to mutual fund reallocation forms with only verbal, not written, consent; 3) his subsequent termination; and 4) a related disciplinary order reprimanding an agent issued by his state's securities division finding that he had engaged in fraudulent business practices when he failed to properly maintain the agreed-upon diversification in the clients' portfolio, despite his assurances that he would

do so. In mitigation, CFP Board considered that Mr. Blankenship appears to have changed his business practices regarding documentation of verbal communications with clients. In aggravation, CFP Board considered that Mr. Blankenship appeared not to understand the seriousness of the regulatory actions taken against him.

- Stephen J. Kasa, San Ramon, Calif.:** In June 2004, CFP Board issued Mr. Kasa a public letter of admonition, while allowing him to retain the right to use the CFP marks, after its investigation of four NASD arbitration proceedings, one civil lawsuit and an NASD letter of caution he received and his false attestations on applicable renewal forms with respect to some of those matters. The claimants and the NASD all alleged unsuitability with respect to limited partnership investments he recommended and sold them, among other claims. Three of the NASD arbitrations and the civil lawsuit settled, and in the fourth NASD arbitration, the arbitrators found Mr. Kasa and his broker/dealer liable and issued an award to the claimant. Mr. Kasa did not contribute to any of the settlements. After a hearing was conducted, CFP Board found that 1) Mr. Kasa's investment recommendations in all but one of the matters resulted in the over-concentration of assets in limited partnerships; 2) he falsely attested about some of the matters on applicable renewal forms; and 3) he received a letter of caution from the NASD with respect to the suitability of his recommendations to four claimants. In mitigation, CFP Board considered that Mr. Kasa appeared sincere, took the proceedings seriously and had no other complaints against him. In aggravation, CFP Board considered the ages of the clients involved.

Financial Planning Educators Get 'Back to the Basics'

CFP Board hosted the 17th Annual Program Directors Conference August 5-7 in the Denver area. Among the more than 200 attendees were 140 faculty and directors of CFP Board-Registered Programs, members of CFP Board's Board of Governors and Board of Examiners, former students in registered programs, industry professionals and representatives from the Financial Planning Association.

"Each year the conference provides opportunities for educators to network, learn about activities at CFP Board and share their insights on the education of future financial planners," says Cynthia Jackson, manager, registered program services at CFP Board.

"Back to the Basics" was selected as the theme for this year's conference, with the goal of focusing on the practical issues that program directors face on a daily basis. During the three-day event, participants took part in panel discussions and breakout sessions covering topics such as

distance learning; financial planning software; internships and career development; marketing degree and certificate programs; ensuring academic integrity; and increasing diversity.

A highlight of the conference was a panel discussion, "Be All You Can Be," led by program directors, former students of registered programs and industry professionals. "The discussion offered advice on ways to make financial planning education more relevant to the real world," Jackson said. "One recommendation, for example, was for financial planning education programs to get more involved with the financial services industry and membership organizations."

New this year was a "Champion's Conference," an initiative of ING Financial Services, Texas Tech University and Prairie View A&M University, held prior to the main event. CFP Board and Texas Tech invited some 30 faculty and administrators from Historically Black Colleges and Universities to learn more

about registering a financial planning program with CFP Board and about the Financial Planning Summer Scholars Program (FPSSP) at Texas Tech. FPSSP is a graduate-level academic program that provides the courses needed to teach personal financial planning at the college or university level. The program qualifies participants to sit for the CFP® Certification Examination and can also be utilized to complete a Ph.D.

FPSSP is being offered as part of a partnership between CFP Board and Texas Tech to enhance graduate education in personal financial planning. The ultimate goals are to increase the number of professors available to teach in CFP Board-Registered Programs and to promote the teaching of personal financial planning in elementary and secondary schools by providing teachers with college-level training in the subject.

Next year's Program Directors Conference is slated for August 4-6 in Denver.

Task Force Studies Job Analysis Survey Results

More than 3,800 CFP® practitioners responded to CFP Board's 2004 Job Analysis Survey this summer and expressed strong agreement on the tasks considered important for the competent, ethical practice of personal financial planning.

This was among the findings presented to a task force of 14 CFP certificants who met in the Denver metropolitan area, on September 24-25 to review the survey results and make recommendations to CFP Board. The meeting was facilitated by Linda Montgomery, Ph.D., director of research at The Chauncey Group International, now known as Thomson Prometric, which is providing administration and statistical services for the large-scale study.

The Job Analysis Study is undertaken approximately every five years by CFP Board to identify the tasks performed by CFP practitioners and the knowledge necessary for competent performance of those tasks. The results are used to update

specifications for the CFP® Certification Examination, curriculum requirements for CFP Board-Registered Programs and acceptable topics for continuing education credit.

"The 3,800-plus responses to the survey represent about 10 percent of CFP practitioners and provided a very rich source of data for Thomson Prometric to analyze and share with the task force," says Kathryn Ioannides, CFP®, J.D., CLU, ChFC, director of education and examination at CFP Board. A separate task force of CFP practitioners determined the content for the online survey.

"Further, we found that no matter what a certificant's age, income, years in practice, gender, ethnicity or geographic location, the index of agreement on the importance of certain financial planning tasks and topics showed either a perfect correlation or a range of .94 to .99," Ioannides continues. "In other words, there were no statistically significant

differences in the responses from CFP practitioners across demographic characteristics in terms of what they say a certificant should know and do to provide competent, ethical, comprehensive financial planning advice to clients. This finding gives us confidence that any changes made to the exam will be a fair and accurate reflection of the professional opinions of a broad sample of CFP practitioners."

The task force's recommendations will become part of a final report, which will be presented to CFP Board's Board of Examiners later this year. "After reviewing the recommendations, the Board of Examiners may add to the list of topics to include on the exam, adjust the relative weightings of topic categories or update the topics approved for continuing education credit, but we don't expect major changes," Ioannides says. The first exam based on the 2004 Job Analysis Study will be administered in 2006.

Chair-Elect, New Members Named to Board of Governors

Barton Francis, CFP®, CPA/PFS, CIMA, of Vienna, Va., was elected chair-elect of the Board of Governors at their September meeting in Denver. Francis will assume his new duties in January, when current chair-elect, Glenn Pape, CFP®, J.D., CPA/PFS, becomes chair. Francis, a director in the Personal Financial Services Practice of PriceWaterhouseCoopers, has served on the Board of Governors since 2003.

Also at the meeting, the Board of Governors appointed the following individuals to four-year terms on the Board beginning in January: Daniel J. Candura, CFP®; Robert J. Glovsky, CFP®, J.D., LL.M., CLU, ChFC; Denise M.T. Murray; and Marianne K. Smythe, J.D.

Daniel Candura

Candura is regional manager at ING Financial Advisers, LLC in Waltham, Mass. Previously, he owned a financial planning practice and served as vice president, Financial Planning Quality, in the Financial Advisory Services Group of American Express Financial Advisers.

A former member and chair of CFP Board's Board of Professional Review, Candura believes that financial planning is at an important point in the history of the profession. "What is at stake is recognition of the CFP marks as the credential that matters to consumers when they seek the advice of a financial professional," Candura says. "The most important role of CFP Board is to establish effective policies that make professional financial planning by qualified individuals more accessible to Americans of every economic group."

Robert Glovsky

Glovsky is President of Mintz Levin Financial Advisors, LLC, a financial planning and investment advisory firm in Boston, Mass. He also directs Boston University's Program for Financial Planners, one of the oldest and largest classroom-based CFP Board-Registered Programs in the country. Glovsky has hosted various consumer-focused personal finance radio shows in Boston for much of the past 13 years and previously served CFP Board as a member and chair of the Board of Examiners.

"The need for more credentialed planners over the next 20 years is critical," Glovsky says. "To accomplish this goal, CFP Board must continue to expand educational opportunities and raise the quality of education. I hope to bring my perspective and experience to the Board of Governors as it addresses these issues."

Denise Murray

As director of Investor Awareness Programs at the Investment Company Institute in Washington, D.C., Murray manages the Investment Company Institute Education Foundation's "Investing for Success" program. A partnership of the National Urban League, the Hispanic College Fund, Inc., and the Investment Company Institute Education Foundation, "Investing for Success" is designed to promote investor education and awareness to African and Hispanic Americans.

"For the past year I also have served on

CFP Board's Consumer Advisory Council and I have witnessed CFP Board's commitment to educating the public about the importance of financial planning," Murray says. "I recognize that there are challenges to getting this information to people who truly need it. As a member of the Board of Governors, I want to work with CFP Board and practitioners to broaden the message of the value of financial planning and the CFP® certification and to encourage diversity among CFP practitioners."

Marianne Smythe

A partner in Wilmer Cutler Pickering Hale and Dorr LLP, Smythe advises and represents banks, investment banking firms, mutual funds, investment companies, investment advisers, pension fund administrators and insurance companies on regulatory and other issues affecting these entities. Prior to joining the firm in 1993, Smythe served as director of the Division of Investment Management of the Securities and Exchange Commission.

"The most important role of CFP Board is to continue its good work in fostering sound professional standards for the financial planning community," Smythe says. "I am delighted to have an opportunity to serve in this effort."

Retiring from the Board of Governors are Rick Adkins, CFP®, Don Blandin, Ellyn Brown, David Diesslin, CFP®, Vickie Hampton, CFP®, and Kyra Morris, CFP®. CFP Board thanks these individuals for their dedication and service to the financial planning profession.

International (... continued from back page)

including standards for education, examination, experience and ethics (the four "Es"). FPSB will adapt the global four "Es" platform to local marketplace, regulatory and education needs to ensure that CFP certificants meet appropriate standards for the delivery of professional financial planning.

CFP Board will retain sole responsibility

for setting and enforcing CFP certification standards in the United States and its territories.

FPSB is governed by a nine-member international board of directors and supported by an advisory council (the FPSB Council) made up of representatives from each of the 17 organizations currently managing the CFP certification in their

respective countries (FPSB Affiliates), as well as representatives from two organizations in the process of becoming FPSB Affiliates.

FPSB is incorporated in Delaware and has its headquarters in Denver, Colo. The organization anticipates eventually having employees and offices in Europe and Asia.

International

Newly Established Entity to Develop Standards Outside U.S.

CFP Board and the newly created Financial Planning Standards Board Ltd. (FPSB) have reached an agreement that will allow the two organizations to work to benefit and protect the interests of global consumers of financial planning through the CFP® certification.

Under the agreement, CFP Board will focus its resources on benefiting and protecting the U.S. public, while FPSB will develop and promote financial planning standards in the rest of the world. FPSB will purchase the CFP marks outside of the United States and its territories; CFP Board will maintain ownership of the U.S. CFP marks.

As the eventual owners of the CFP marks in their respective territories, FPSB and CFP Board have reached agreements to ensure that the CFP marks are protected. The first of several agreements required to complete the transaction was signed on October 14 in London.

“The trajectory of the international CFP marks has been phenomenal since CFP Board signed a license and affiliation agreement with Financial Planning Association of Australia in 1990,” says David Diesslin, CFP®, chair of CFP Board’s Board of Governors. “Given that more than half of the CFP certificants in the world are now outside the United

States, the time is right to have CFP Board focus on U.S. stakeholders while FPSB assumes responsibility for managing, developing and operating the certification programs for the CFP marks in the rest of the world. We are excited for the consumers of financial planning globally because they will be better served as a result of this agreement.”

As a nonprofit standards-setting body, FPSB will benefit and protect consumers outside the U.S. by increasing the professionalism of financial planners through the ongoing development of competency and ethics standards. These standards are based on the same platform required of CFP certificants in the U.S.

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