

## THE DISCIPLINARY AND ETHICS COMMISSION

IN THE MATTER OF



DAVID H. KNIGHT, CFP®,

Respondent.

CFP Board Case No. 2022-63378

March 31, 2025

### ORDER

Certified Financial Planner Board of Standards, Inc. (“CFP Board”) granted Respondent the right to use the CFP®, CERTIFIED FINANCIAL PLANNER™,  and  certification marks (“CFP Board marks”) on December 28, 2010. (DEC Book at 14.)<sup>1</sup> He has been certified since that date. (*Id.*)

#### I. PROCEDURAL BACKGROUND

On October 23, 2023, following an investigation, Enforcement Counsel filed a Complaint with CFP Board’s Disciplinary and Ethics Commission (“Commission”) alleging that Respondent violated Standard E.2.a. of CFP Board’s *Code of Ethics and Standards of Conduct* (“*Code and Standards*”), which states that a CFP® professional may not engage in conduct that reflects adversely on his or her integrity or fitness as a CFP® professional, upon the CFP® marks, or upon the profession. (*Id.* at 5-174.) The Complaint cites Respondent’s December 10, 2021 “no contest” plea to a misdemeanor charge.

On or around November 16, 2023, Respondent filed an Answer to the Complaint in which he admitted that he resolved the criminal charge with a plea of no contest but denied allegations about the underlying incident. (*Id.* at 176-79.)

On April 18, 2024, a Hearing Panel formed under Article 10.6 of CFP Board’s *Procedural Rules* convened by video conference to hear testimony and to review and consider documents, information, and argument relevant to the Complaint. (Transcript of Hearing of Respondent, CFP®, April 18, 2024 (“Tr.”) at 1.) Enforcement Counsel appeared for CFP Board; DEC Counsel appeared for the Commission and for a Hearing Panel of the Commission; Respondent appeared and was represented by counsel.

The Commission has considered the Hearing Panel’s recommendation and issues this final order.

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<sup>1</sup> The DEC Book and any other exhibits to this Order will not be published under Article 17.7 of the *Procedural Rules*.

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## II. FINDINGS OF FACT

### A. Background

Respondent has passed the (a) Series 7 – General Securities Representative Examination (2014); (b) Series 63 – Uniform Securities Agent State Law Examination (2014); (c) Series 66 – Uniform Combined State Law Examination (2016); and (d) SIE – Securities Industry Essentials Examination (2018). (*Id.* at 45.)

Respondent has been associated with his firm as an investment advisor representative and broker since November 2018. (*Id.* at 47.)

### B. Respondent's Misdemeanor Charge

On September 28, 2021, Respondent was charged with [REDACTED]. (*Id.* at 50-73.) On December 10, 2021, he pleaded no contest to the charge in Michigan state court. (*Id.* at 77-82.) On January 28, 2022, Respondent was ordered to complete one year of probation, with further criminal proceedings deferred under a Michigan statute. (*Id.* at 81.) After Respondent successfully completed the conditions of his probation, the court dismissed the criminal proceedings and closed the case on January 26, 2023. (*Id.* at 82.)

Respondent did not report the criminal charge against him to CFP Board within the 30-day time period required under Rule E.3.a. of the *Code and Standards*. (Tr. at 48-50.)

Respondent has no prior criminal record or disciplinary record with CFP Board (Tr. at 27) or any other regulatory authority. (*See* DEC Book at 42.)

During Enforcement Counsel's investigation, Respondent offered his account of the events leading to the criminal charge against him. (DEC Book at 120, 131, 151.) At the hearing, Respondent maintained that he did not engage in the conduct underlying the charge. (Tr. at 30-31, 36-37; DEC Book at 131-33, 140-41.) He testified that he nevertheless regretted his role in the incident that led to the charge and that he accepts responsibility for his conduct. (Tr. at 30-31.)

Respondent stated that he pleaded no contest to the criminal charge to avoid the expense and embarrassment of a public trial. (DEC Book at 132-33, 177.) He testified about his efforts to prevent such incidents from occurring in the future. (Tr. at 24-25, 40, 53-54.)

## III. DISCUSSION

To impose a sanction on Respondent, the Commission must find grounds for a sanction.

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### *Grounds for Sanction*

Respondent was a CFP® professional at all times relevant to these grounds for sanction.

Standard E.2.a. of the *Code and Standards* states that a CFP® professional may not engage in conduct that reflects adversely on his or her integrity or fitness as a CFP® professional, upon the CFP® marks, or upon the profession. Such conduct includes a Relevant Misdemeanor conviction, or admission into a program that defers or withholds entry of a judgment of conviction for a Relevant Misdemeanor. Under the *Code and Standards*, a Relevant Misdemeanor includes the criminal offense charged against Respondent.

Article 7.1 of the *Procedural Rules* states that a record from any court of criminal jurisdiction indicating that Respondent has been convicted of a crime in that court or admitted into a program that defers or withholds entry of a judgment of conviction (“Criminal Conviction”), is conclusive proof of the commission of the crime and that Respondent engaged in the criminal conduct that led to the Criminal Conviction.

The Michigan state court here Respondent’s criminal proceedings were held is a court of criminal jurisdiction. The Court Case History is a record from that court indicating that Respondent was admitted into a program that defers entry of a judgment of conviction. This record conclusively establishes the commission of the underlying crime and that Respondent engaged in the criminal conduct that led to the Criminal Conviction for purposes of this disciplinary proceeding.

Respondent was a CFP® professional at all times relevant to this matter.

The Court Case History is conclusive evidence of Respondent’s Criminal Conviction for a Relevant Misdemeanor. Therefore, there are grounds to sanction Respondent for a violation of Standard E.2.a. of the *Code and Standards*.

As set forth in Article 7.5 of the *Procedural Rules*, since Respondent’s Criminal Conviction has been conclusively proven, Respondent may not challenge the fact of the Criminal Conviction and may introduce evidence only concerning an appropriate sanction resulting from the Criminal Conviction.

## **IV. THE COMMISSION’S DECISION**

Pursuant to Article 12.3 of CFP Board’s *Procedural Rules*, the Commission’s final order must impose a sanction if the Commission finds a violation that warrants a sanction. The Commission has discretion to order a sanction among those applicable sanctions set forth in Article 11.1.

CFP Board issued its non-binding *Sanction Guidelines* to serve as guidance for determining appropriate sanctions. In evaluating an appropriate sanction, the Commission considered the following conducts (and sanction guidelines):

- Conduct 10: Conviction within the last 10 years of a Felony or any Relevant Misdemeanor

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involving probation only (Public Censure)

- Conduct 24: Relevant Misdemeanor Criminal Conviction (Private Censure)

The Commission has also considered whether there are any material mitigating or aggravating factors in this case, and if so, what weight those factors may have in its decision. The Commission found Respondent's failure to timely report the criminal charge against him to CFP Board, as required under Rule E.3.a. of the *Code and Standards*, to be an aggravating factor. The Commission found mitigating the fact that Respondent has no prior disciplinary or criminal history and has taken steps to avoid recurrence of his conduct.

The Commission also has consulted various *Case Histories* (referred to as "ACHs" or "CHs"), for any non-binding precedent that may be persuasive to the Commission. In cases similar to Respondent's, the Commission has imposed both private censures and public censures. In [REDACTED], for example, the parties entered a settlement agreement in which the CFP® professional received a private censure for violating CFP Board standards based on a misdemeanor criminal charge like Respondent's. More recently, in [REDACTED] (a [REDACTED] settlement) and [REDACTED] (a [REDACTED] contested proceeding), both CFP® professionals received a public censure for violating the same provision that was violated here based on similar criminal circumstances. Neither of these cases involved a failure to report the incident to CFP Board in a timely manner.

In view of the foregoing, the Commission finds the baseline sanction for a Relevant Misdemeanor (Conduct 10) to be appropriate in this case and issues this Order of **Public Censure** to be appropriate.

Ordered by:

The Disciplinary and Ethics Commission  
CFP Board  
March 31, 2025