

THE DISCIPLINARY AND ETHICS COMMISSION

IN THE MATTER OF

DAN E. DROEG

Respondent.

CFP Board Case No. 2023-63191

March 27, 2025

ADMINISTRATIVE ORDER OF PERMANENT BAR

On February 28, 2025, Enforcement Counsel for Certified Financial Planner Board of Standards, Inc. (“CFP Board”) filed a Motion under Article 4.2 of the *Procedural Rules* (“Motion”) requesting that Counsel for CFP Board’s Disciplinary and Ethics Commission (“Commission” or “DEC”) issue an Administrative Order permanently barring Respondent from applying for or obtaining CFP® certification.¹ No hearing on the Motion was requested, and Respondent did not file a response to the Motion.

For the reasons stated below, the Motion is **GRANTED**.

I. BACKGROUND

Respondent became a CFP® professional on May 22, 1989 and remained certified until September 30, 2021, when Respondent’s certification expired. (Motion, Exhibit 1 at 2-4.)

A. Investigation

On November 1, 2021, CFP Board Enforcement staff sent Respondent a Notice of Investigation seeking documents and information concerning his 2021 termination by his advisory firm. (*Id.* at 47-48.) After Respondent failed to acknowledge the notice, Enforcement staff sent a second Notice of Investigation to Respondent on December 7, 2021. (*Id.* at 50.)

Respondent failed to acknowledge the second notice too, and on January 25, 2022, Enforcement staff followed up with him again by email and asked for a response by January 28, 2022. Respondent replied on January 28, 2022 that he would respond to the Notice of Investigation the following week. (*Id.* at 52-53). Respondent did not respond.

B. Regulatory Actions

On February 11, 2022, Respondent entered into a Letter of Acceptance, Waiver and Consent (AWC) with the Financial Industry Regulatory Authority, Inc. (FINRA) that bars him from associating with any FINRA member. In the AWC, Respondent consented to findings that, from

¹ Enforcement Counsel certified in its Motion that it had met and conferred with Respondent in a good faith attempt to resolve or narrow the issues on 1/3/2024, but Enforcement Counsel and Respondent were unable to resolve the issues.

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2015 to 2021, he used his authority as trustee of his client's charitable remainder trust to wrongfully convert more than \$800,000 in trust assets to his personal accounts. (*Id.* at 101-05.)

The state of Arizona brought its own action against Respondent based on his unlawful conduct and revoked his securities licenses. (*Id.* at 165-207.)

C. Respondent's Failure to Cooperate

On June 15, 2022, Enforcement staff sent Respondent a Notice of Failure to Cooperate with its investigation, allowing Respondent 14 days to cure the failure. (*Id.* at 55.) Respondent failed to do so.

On February 24, 2023, Enforcement staff sent an email informing Respondent that his failure to respond to its requests would result in his default and subject him to an Administrative Order. In the email exchange, Enforcement Counsel allowed Respondent until March 1, 2023 to provide the requested information. (*Id.* at 60-63.) On March 2, 2023, Respondent finally provided a response to the November 1, 2021 Notice of Investigation. (*Id.* at 64-65.)

On June 7, 2023, Enforcement staff followed up by email seeking additional documents and information from Respondent and asking that he provide the name of the attorney who Respondent said was representing him. (*Id.* at 83-84.) On June 12, 2023, Enforcement staff sent another email asking Respondent to provide his attorney's contact information so that Enforcement could communicate about the investigation. (*Id.* at 85-88.) Respondent did not provide the information, and CFP Board Enforcement staff still had not received any communications from Respondent's attorney at the time it filed the Motion. (Motion at 4.)

On November 18, 2024, Enforcement staff sent Respondent another Notice of Failure to Cooperate, again allowing Respondent 14 days to cure the failure or be in default and subject to an Administrative Order. (*Id.* at 94-95.) Although Respondent communicated with Enforcement staff in early 2025 again suggesting that his attorney would provide the information being requested, Respondent did not cure his failure to cooperate. (*Id.* at 96-98.)

D. Motion

Enforcement Counsel asserts in its Motion that Respondent is in default under Article 4.1.c. of the *Procedural Rules* because Respondent failed to cure the November 18, 2024 Notice of Failure to Cooperate. (Motion at 7.) Enforcement Counsel describes Respondent's "lengthy pattern of claiming he plans to respond to CFP Board's investigation and repeatedly failing to follow through." (*Id.* at 5.)

Enforcement Counsel asserts that the conduct under investigation—relating to Respondent's termination and subsequent regulatory actions involving his wrongful conversion of client assets—indicates that Respondent may have violated several provisions of CFP Board's *Code of Ethics and Standards of Conduct*, including:

Standard A.1: at all times when providing financial advice to a client, a CFP® professional must act as a fiduciary, and therefore, act in the best interests of the client;

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Standard A.2: a CFP® professional must perform professional services with integrity. Integrity demands honesty and candor, which may not be subordinated to personal gain or advantage. Allowance may be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of principle;

Standard A.8: a CFP® professional must comply with the laws, rules, and regulations governing professional services;

Standard D.2: a CFP® professional will be subject to discipline by CFP Board for violating policies and procedures of the CFP® professional's firm that do not conflict with the *Code and Standards*; and

Standard E.2: 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.

Enforcement Counsel states that it has determined that the seriousness, scope, and harmfulness of Respondent's conduct warrants an Administrative Order imposing a permanent bar against Respondent. (*Id.* at 11.)

II. DISCUSSION

If Respondent fails to cure a Notice of Failure to Cooperate within 14 days, as required by Article 1.3.d. of the *Procedural Rules*, then Respondent is in default under Article 4.1.c.

Enforcement Counsel's Motion states with reasonable particularity the grounds for Respondent's default, as required by Article 4.2 of the *Procedural Rules*. Respondent has for some time led CFP Board to believe that his attorney would provide information responsive to Enforcement's Counsel's requests. But that information has not been produced, and Enforcement staff has received no communication from Respondent's attorney, whose name and contact information remain undisclosed. Respondent has not cured the November 18, 2023 Notice of Failure to Cooperate and is in default.

Enforcement Counsel filed the Motion based on its determination of the seriousness, scope, and harmfulness of Respondent's conduct, as required under Article 4.2 of the *Procedural Rules*.

III. CONCLUSION

DEC Counsel **GRANTS** the Motion and issues this **Order of Administrative Permanent Bar** against Respondent. Respondent is permanently barred from applying for or obtaining CFP Board certification.

IV. COMPLIANCE WITH ORDER

Pursuant to Article 11.2 of the *Procedural Rules*, Respondent is required to submit to Enforcement Counsel within 45 calendar days of issuance of this Order, or by **May 13, 2025**, written evidence that Respondent:

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- has advised Respondent's Firm(s), in writing, of this Order in the manner set forth in Standard D.3 of the *Code and Standards*;
- has advised all Clients (as Client is defined in the Glossary to the *Code and Standards*) of this Order and provided all Clients the location of CFP Board's website that sets forth Respondent's disciplinary history in the manner set forth in Standard A.10 of the *Code and Standards*; and
- will advise all future Clients of the location of CFP Board's website that sets forth Respondent's disciplinary history, according to Standard A.10 of the *Code and Standards*.

Pursuant to Article 11.3 of the *Procedural Rules*, within 45 calendar days from the date of this Order, or by **May 13, 2025**, Respondent is required to submit to Enforcement Counsel, by sending an email to discipline@cfpboard.org, Respondent's statement of assurance that Respondent will not use the CFP Board certification marks and proof that Respondent has removed the CFP Board certification marks from all internet sites or other tangible materials that Respondent exposes to the public, including screenshots of the businesses, social media, and third-party financial advisor listing website profiles that Respondent controls, pictures of signage, and when applicable, copies of Respondent's business cards, letterhead, and marketing and promotional materials, as well as pictures of any other materials Respondent controls in which the CFP® marks previously appeared publicly in reference to Respondent or Respondent's services.. Failure to do so may result in further disciplinary or legal action regarding the unauthorized use of the CFP Board certification marks.

Issued by:

Counsel to the Disciplinary and Ethics Commission
March 27, 2025