

**CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.
WASHINGTON D.C.**

In the Matter of

Gary L. Arnold,

Respondent.

CFP Board Case No. 2024-66896

March 11, 2025

INTERIM SUSPENSION ORDER

On December 18, 2024, Enforcement Counsel for Certified Financial Planner Board of Standards, Inc. (“CFP Board”) filed a Petition for Interim Suspension Order under Article 2.1.a. of CFP Board’s *Procedural Rules* requesting that a hearing panel of CFP Board’s Disciplinary and Ethics Commission (“Commission”) issue an Interim Suspension Order against Respondent.¹

I. ASSERTED GROUNDS FOR INTERIM SUSPENSION

In support of its Petition, Enforcement Counsel cites an October 16, 2024 letter of Acceptance, Waiver, and Consent (AWC) Respondent entered with the Financial Industry Regulatory Authority, Inc. (FINRA), in which Respondent consented to findings that he violated FINRA Rules 3110 and 2010. (Petition Exhibit A at A2-A16.) Respondent consented to a three-month suspension from associating with any FINRA member in all principal capacities, a \$10,000 fine, and a requirement that he requalify as a general securities principal by passing the requisite examination before acting in that capacity with any FINRA member. (*Id.* at A12.) Respondent’s firm was censured, suspended for 60 days from conducting any private placement activities, fined \$210,000, ordered to disgorge over \$63,000 in commissions and to certify that it had remedied the issues identified in the AWC. (*Id.* at A12.)

Enforcement Counsel asserts, based on its preliminary investigation, that Respondent has served as a control person for his firm as its President, Chief Executive Officer, and Chief Compliance Officer since February 2019. (*Id.* at A2.)

In the AWC, Respondent consents to findings that from October 2020 to May 2021, four representatives of Respondent’s firm recommended and sold private placement offerings to 36 retail clients of the firm, with a total principal amount in excess of \$2.3 million. (*Id.* at A6, A9-A10.) Respondent’s firm received \$116,745 in undisclosed commissions from these transactions. (*Id.* at A6.) The AWC states that the firm failed to disclose to any of the clients the full extent of the compensation arrangements it had made with the issuer of these offerings and made false statements to those clients about those compensation arrangements. (*Id.*) Further, FINRA found that the firm failed to conduct reasonable due diligence to determine whether the relevant offerings were suitable for the 36 clients or for any clients, including any diligence to determine whether the issuer held the assets that formed the basis of the investment. (*Id.* at A6-A7.) According to the AWC, Respondent and his firm failed to establish, maintain, and enforce a reasonable supervisory system,

¹ The Petition and any other exhibits to this Order will not be published under Article 17.7 of CFP Board’s *Procedural Rules* (see www.cfp.net/ethics/enforcement/procedural-rules).

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including written supervisory procedures (WSPs), to achieve compliance with Reg BI's Care Obligation with respect to the firm's recommendations of private placement offerings. (*Id.* at A3.)

The AWC states that from February 2019 to October 2024, Respondent also failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with the suitability requirements of FINRA Rule 2111 and, as of June 30, 2020, Reg BI's Care Obligation, regarding excessive trading. (*Id.* at A4.) From June 30, 2020 to October 2024, Respondent also failed to establish WSPs regarding Reg BI, and therefore failed to establish, maintain, and enforce WSPs reasonably designed to achieve compliance with Reg BI's Compliance Obligation. (*Id.*) For each of these failures the AWC cites Respondent's violation of FINRA Rules 3110 and 2010.

Enforcement Counsel asserts that the conduct described in the AWC is deemed conclusively proven under Article 7.2 of the *Procedural Rules*. Enforcement Counsel argues that the conduct alleged in the Petition—that Respondent's supervisory failures allowed his firm's breaches of fiduciary duty, failures to disclose, false statements to clients, and failures to conduct due diligence in connection with the recommendation and sale of \$2.3 million in unsuitable investments to 36 clients of his firm—reflects adversely on Respondent's integrity and fitness as a CFP® professional, on the CFP Board certification marks and on the profession. Enforcement Counsel asserts that the Commission would likely impose a sanction of at least a suspension considering the conduct and the aggravating factors present, including harm to at least 36 clients. Enforcement Counsel argues that an order imposing an interim suspension on Respondent would be in the public interest.

II. DECISION

After considering the Petition and evidence presented, the hearing panel finds that Enforcement Counsel has demonstrated by a preponderance of the evidence that: (a) Respondent's alleged conduct reflects adversely on Respondent's integrity and fitness as a CFP® professional, on the CFP Board certification marks and on the profession; (b) Respondent's conduct likely will result in a sanction of a suspension or greater pursuant to CFP Board's *Sanction Guidelines*; and (c) an interim suspension order against Respondent is in the public interest.

The requirements under Article 2.1.a.3. of the *Procedural Rules* have been met, the Petition is **GRANTED**, and the Hearing Panel issues this **Interim Suspension Order** suspending Respondent's CFP Board financial planning certification and right to use the CFP Board certification marks during the pendency of proceedings. An interim suspension is a temporary sanction that does not preclude CFP Board from imposing a final sanction.

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An interim suspension is a public sanction, and CFP Board publishes an interim suspension order in accordance with Articles 2.2 and 17.7 of the *Procedural Rules*.

Ordered by:

Chair of the Hearing Panel
The Disciplinary and Ethics Commission, CFP Board
Date: March 11, 2025