

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 30478

This is a summary of a Settlement Agreement entered into at the June 2017 hearings of the Disciplinary and Ethics Commission (“the Commission”) of Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The conduct at issue in this case occurred after January 1, 2009. The Rules in effect at that time under the *Rules of Conduct* were Rules 1.1 through 6.5.

I. Issue Presented

Whether a CFP® professional (“Respondent”) violated CFP Board’s *Standards of Professional Conduct* when he: 1) had a client sign a blank document and then copied that signature onto other client documents; and 2) had knowledge of, and permitted his branch office administrator to engage in, the same activity for multiple clients.

II. Findings of Fact

In October 2014, Firm terminated Respondent for violating firm policy when he had a client sign a blank document and then copied that signature onto other client documents. He also had knowledge of, and permitted his branch office administrator to engage in, the same activity for multiple clients. Respondent admitted his actions and acknowledged that the practices were inconsistent with Firm policy but maintains that in every instance they were intended to fulfill client requests.

In October 2015, Respondent received a Cautionary Action Letter from the Financial Industry Regulatory Authority, Inc. (“FINRA”) for the following deficiency:

FINRA Rule 2010: Standards of Commercial Honor and Principles of Trade

You acknowledged that you had customers sign documents in blank and then photocopied the signatures onto other documents, applicable to different accounts for the same clients and/or had knowledge of your branch office administrator having customers sign documents in blank and reuse the documents for different accounts.

Your actions were contrary to standards of commercial honor and principles of trade.

III. Grounds for Discipline

First Ground for Discipline

Pursuant to Article 3(A) of the *Disciplinary Rules and Procedures* (“*Disciplinary Rules*”), there were grounds to discipline Respondent for acts or omissions that violate Rule 4.3 of the *Rules of Conduct*, which provides that a certificated shall comply with applicable regulatory requirements governing professional services provided to the client.

As set forth in the Cautionary Action Letter, Respondent, Respondent failed to comply with applicable regulatory requirements governing professional services provided to the client when he violated FINRA Rule 2010 by having a client sign a blank document and thereafter photocopying the signature onto other client documents, and having

knowledge of and approving his branch administrator engaging in the same activity. Therefore, Respondent violated Rule 4.3 of the *Rules of Conduct*.

Second Ground for Discipline

Pursuant to Article 3(A) of the *Disciplinary Rules*, there were grounds to discipline Respondent for acts or omissions that violate Rule 5.1 of the *Rules of Conduct*, which provides that a certificant who is an employee/agent shall perform professional services with dedication to the lawful objectives of the employer/principal and in accordance with CFP Board's *Code of Ethics*.

Respondent, a certificant, failed to perform professional services with dedication to the lawful objectives of the employer/principal and in accordance with CFP Board's *Code of Ethics* when he violated firm policy by having a client sign a blank document and thereafter photocopying the signature to other client documents, and having knowledge of and approving his branch administrator engaging in the same activity. Therefore, Respondent violated Rule 5.1 of the *Rules of Conduct*.

IV. Discipline Imposed

The Commission and Respondent entered into a Settlement Agreement in which Respondent consented to the Findings of Fact and Grounds for Discipline. Pursuant to the terms of the Settlement Agreement, the Commission issued to Respondent a private censure pursuant to Article 4.1 of the *Disciplinary Rules*.

The Commission consulted *Sanctions Guidelines* 12 (Employer Policies Violation), 19 (Forgery), and 30 (Securities Law Violation). The Commission also consulted *Anonymous Case Histories* 30205, 28116 and 26931, all of which involved alternating of client signatures, in reaching its decision.

The Commission cited in aggravation that:

1. Respondent's conduct affected several clients;
2. Respondent's employer terminated him for his conduct.

The Commission noted in mitigation that:

1. Respondent's conduct did not cause client harm;
2. Respondent did not benefit from his misconduct; and
3. Respondent had no prior disciplinary history.