

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 30606

This is a summary of a decision issued following the June 2017 hearings of the Disciplinary and Ethics Commission (“Commission”) of Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The Initial Application for Certification (“Application”) in this case was filed after September 14, 2012. CFP Board’s *Fitness Standards for Candidates and Professionals Eligible for Reinstatement* (“*Fitness Standards*”) were in effect at that time.

I. Issue Presented

Whether a candidate for CFP® certification (“Respondent”), could be certified when he improperly reviewed and approved forms prior to the registered representatives signing the Forms and, in doing so, attested to the accuracy of a document which had not been signed or dated by the registered representative.

II. Findings of Fact Relevant to the Commission’s Decision

Respondent was the registered principal for branch A office of Firm between January 2014 and March 2015, during which State examined the branch to determine whether Firm was in compliance with applicable State statutes and regulations. Respondent resigned from serving as a registered principal in the fall of 2015.

Firm’s written supervisory procedures and compliance manual required registered representatives of Firm’s branch A office to submit copies of all pre-approved advertisements (“Forms”) to Respondent for post-use review monthly. Respondent testified that his registered operations leader would put together a “stack” of paperwork. He would then have to go through the stack of paperwork and place his initials and the date on the paperwork and return the paperwork to the operations leader. The advertising forms attached advertisements in use by the registered representative in the preceding month. Respondent’s attorney noted that all of the advertisements were preapproved by Firm prior to the first use of the advertisements.

According to Respondent, he reviewed and initialed hundreds of advertising forms during the period of the examination by State. Respondent indicated that the examination identified eight forms that did not comply with Firm’s internal policy with respect to the advertising forms because he initialed the forms before the registered representatives had signed the forms. Respondent indicated that two of the forms were dated after the internal due date for the forms. Respondent further indicated that four of the eight forms disclosed that the registered representatives had not done any advertising during the prior month.

In June 2016, Respondent and Firm signed a State Stipulation and Consent Order, which found:

1. Respondent violated State statutes and regulations by failing to observe high standards of commercial honor and just and equitable principles of trade when he improperly reviewed and approved Forms prior to the registered representatives signing the Forms and, in doing so, attested to the accuracy of a document which had not been signed or dated by the registered representative.
2. Ameriprise violated State statutes and regulations by failing to establish, maintain and enforce written supervisory procedures to ensure its supervisors properly and timely reviewed and approved the monthly Forms submitted by its registered representatives concerning their advertising practices for the month of January 2014. Additionally, Firm violated State statutes and regulations when it conducted an inspection of the branch A office but did not detect the improper Forms.

Respondent agreed to cease and desist from violations of State statutes and from engaging in any securities supervisory or principal capacity with Firm for a period of two years. Respondent agreed to comply with all provisions of State statutes and regulations and to pay an administrative fine of \$7,500.

III. Commission's Determination on Respondent's Fitness

CFP Board has established specific character and fitness standards for candidates for CFP® certification and Professionals Eligible for Reinstatement to ensure the individual's conduct does not reflect adversely on his or her fitness for CFP® certification, on the profession or on the CFP® certification marks. Under CFP Board's *Fitness Standards*, Respondent's conduct may reflect adversely on the profession or the CFP® certification marks and bar Respondent from becoming certified unless Respondent petitions the Commission for consideration. Under the *Fitness Standards*, Respondent had the burden to demonstrate that his conduct does not reflect adversely on his fitness for CFP® certification, the profession or the CFP® marks.

Upon consideration of the facts in this matter, the Commission granted Respondent's Petition for Consideration after determining Respondent's conduct did not reflect adversely on his fitness, upon the profession or the CFP® certification marks.

The Commission reviewed *Anonymous Case History* ("ACH") 28458 in arriving at its decision. In this ACH the Commission granted a Petition for Consideration when the respondent was fired by his firm for entering temporary placeholder social security number to open an account. The Commission noted as a mitigating factor in that decision that respondent's conduct was an administrative error. The Commission viewed Respondent's conduct as a similar administrative error that did not cause any client harm.

The Commission noted in mitigation that:

1. Respondent's conduct resulted in no client harm and was the result of an internal administrative procedure;
2. Respondent disclosed his conduct to CFP Board; and
3. Respondent had no other disciplinary history.

The Commission did not note any aggravating factors.