CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 13221

This is a summary of a decision issued following the March 2008 hearings of the Disciplinary and Ethics Commission ("Commission") of Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The conduct at issue in this case occurred prior to January 1, 2009. The Rules in effect at that time under the *Code of Ethics and Professional Responsibility* ("*Code of Ethics*") were Rules 101 through 705.

I. Issue Presented

Whether a CFP® certificant ("Respondent") violated CFP Board's *Standards of Professional Conduct* when he did not disclose his involvement in a National Association of Securities Dealers ("NASD") arbitration on his Certification Renewal Application ("Application").

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

CFP Board alleged in its Complaint that Respondent was involved in an NASD arbitration in 2004 that originated from a customer complaint. The arbitration panel found that Respondent did not fully understand the product that he recommended and sold to his client ("Client").

Respondent's Application does not reflect any disclosures regarding the NASD arbitration. During the hearing, Respondent testified that his assistant completed his Application, which Respondent then signed.

III. Commission's Analysis and Conclusions Regarding Rule Violations

A. Rule 612 – A CFP Board designee shall comply with all applicable renewal requirements established by CFP Board including, but not limited to, payment of the biennial CFP Board designee fee as well as signing and returning the Terms and Conditions of Certification in connection with the certification renewal process..

The Commission found that Respondent failed to comply with all applicable renewal requirements established by CFP Board because he failed to disclose the 2004 NASD arbitration on his Application. Thus, Respondent violated Rule 612.

IV. Discipline Imposed

Article 3(a) of CFP Board's *Disciplinary Rules and Procedures* ("*Disciplinary Rules*") provides grounds for discipline for a violation of the *Code of Ethics*. The Commission found Article 3(a) grounds for discipline because Respondent violated the above *Code of Ethics* rules. The Commission issued a Private Censure to Respondent pursuant to Article 4.1 of the *Disciplinary Rules*.

The Commission considered the following mitigating factors:

1. Respondent made efforts to understand the annuity he sold to the client and facilitated a meeting between himself and the annuity wholesaler;
2. Respondent made further efforts to learn about the annuity by attending classes and consulting with broker-dealer experts; and
3. Respondent stated that the annuity performed as expected until the Client dramatically increased his distributions.

The Commission considered no aggravating factors.