

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 19915

This is a summary of a decision issued following the November 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 deliver requested stock certificates to a client (“Client”) after the Client purchased shares of stock in a company.

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

CFP Board alleged the following in its Complaint:

1. In 2006, Respondent disclosed his involvement in a National Association of Securities Dealers (“NASD”) Arbitration on his Certification Renewal Application;
2. The arbitration concerned Respondent’s failure to deliver stock certificates to the Client, as requested by the Client;
3. The Client had requested the purchase of stock in a company and requested that the stock certificates be sent to her. The Client desired the stock certificates as collectibles;
4. Respondent instructed his assistant to have the trades executed and to obtain the stock certificates. The trade was executed but the stock certificates were not ordered;
5. According to Respondent, his assistant delayed processing the request for the stock certificates;
6. According to the Client, when the Client inquired about the stock certificates, Respondent told her he had ordered them, but this was not true;
7. Two months after the Client’s request, Respondent informed her that he was not able to obtain the stock certificates because the company had since been purchased by a larger company.

III. Commission’s Analysis and Conclusions Regarding Rule Violations

CFP Board alleged that Respondent violated Rules 102, 201, 607 and 701 of the *Code of Ethics*, as follows:

1. Respondent violated Rule 102 because he informed the Client he had ordered the stock certificates when, in fact, he had not;
2. Respondent violated Rule 201 by failing to order the stock certificates, as requested by the Client, within a reasonable time after purchasing the stock on behalf of the Client;

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3. Respondent violated Rule 607 by failing to order the stock certificates, as promised, and then informing the Client that he had ordered the certificates; and
4. Respondent violated Rule 701 because he: 1) failed to act diligently in ordering the stock certificates; and 2) failed to follow-up with his assistant about the status of the stock certificate order.

CFP Board alleged grounds for discipline under Article 3(a) of CFP Board's *Disciplinary Rules and Procedures* ("*Disciplinary Rules*").

The Commission determined that CFP Board did not prove by a preponderance of the evidence that Respondent violated the above rules. Thus, the Commission ultimately found that no violations of the *Code of Ethics* occurred and that therefore, there were no grounds for discipline under the *Disciplinary Rules*.

IV. Discipline Imposed

The Commission dismissed the matter as without merit.

The Commission considered no mitigating or aggravating factors.