

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 20393

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 candidate for CFP® certification (“Respondent”) violated CFP Board’s *Standards of Professional Conduct* by failing to disclose a National Association of Securities Dealers (“NASD”) Arbitration on his Initial Certification Application.

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

In January 2007, Respondent submitted his Initial Certification Application. Respondent did not disclose any matters to CFP Board on the Declaration Section of his Initial Certification Application. CFP Board discovered during a routine background check that Respondent had been named as a co-defendant in a NASD Arbitration in 2006.

The NASD Arbitration arose after a client of Respondent’s filed a Statement of Claim with NASD alleging unsuitable investment recommendations, negligence and fraud. The matter settled for a monetary amount, to which Respondent contributed one-half.

III. Discipline Imposed

Article 3(g) of CFP Board’s *Disciplinary Rules and Procedures* (“*Disciplinary Rules*”) provides grounds for discipline for any false or misleading statement made to CFP Board. The Commission found that Respondent made a false or misleading statement to CFP Board because he did not disclose the 2006 NASD Arbitration on his Initial Certification Application. Thus, the Commission found grounds for discipline under Article 3(g).

The Commission issued a Private Censure to Respondent in accordance with Article 4.1 of the *Disciplinary Rules*.

The Commission considered the following mitigating factors:

1. Respondent did not know he was required to notify CFP Board that he had been a co-defendant; and
2. Respondent was cooperative once notified of CFP Board’s investigation.

The Commission considered no aggravating factors.

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