

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 21589

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 attempted to submit a document he had forged to his broker-dealer (“Broker-Dealer”).

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

In a Settlement Agreement entered into with the Commission, Respondent consented to the facts presented below:

1. Respondent asked a new client to sign a blank sheet of paper so Respondent could transfer the client’s signature onto a photocopy of the client’s Client Account Record (“CAR”) because Respondent claimed to have “run out of CAR forms”;
2. Respondent was terminated by the Broker-Dealer as a result;
3. Respondent was then investigated by two regulatory bodies, including the Financial Industry Regulatory Agency (“FINRA”) and found to have forged a photocopy of a client’s CAR; and
4. Respondent was convicted by a state criminal court of forgery.

III. Commission’s Analysis and Conclusions Regarding Rule Violations

- A. *Rule 102 – In the course of professional activities, a CFP Board designee shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to a client, employer, employee, professional colleague, governmental or other regulatory body or official, or any other person or entity.*

The Commission found that Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation by forging a photocopy of the client’s CAR, which resulted in: 1) two regulatory bodies finding that Respondent forged a client’s record; and 2) a criminal court conviction for forgery. Thus, Respondent violated Rule 102.

B. Rule 201 – A CFP Board designee shall exercise reasonable and prudent professional judgment in providing professional services.

According to the Commission, Respondent failed to exercise reasonable and prudent professional judgment when he asked a new client to sign a blank sheet of paper so Respondent could transfer the signature onto a photocopy of the CAR form and because Respondent claimed to have “run out of CAR forms.” As a result of his actions, Respondent was terminated by his Broker–Dealer, investigated by two regulatory bodies, and convicted of forgery by a state criminal court. Thus, Respondent violated Rule 201.

C. Rule 606(a) – In all professional activities a CFP Board designee shall perform services in accordance with applicable laws, rules and regulations of governmental agencies and other applicable authorities.

The Commission found that Respondent failed to perform professional services in accordance with applicable state laws and FINRA rules when he forged a CAR form. Thus, Respondent violated Rule 606(a).

D. Rule 606(b) – In all professional activities a CFP Board designee shall perform services in accordance with applicable rules, regulations and other established policies of CFP Board.

The Commission found that Respondent failed to perform professional services in accordance with the applicable rules, regulations and other established policies of CFP Board when he forged a client’s signature that resulted in violations of Rules 102, 201 and 606 (a). Thus, Respondent violated Rule 606(b).

IV. Discipline Imposed

Respondent submitted an Offer of Settlement to the Commission. The Commission made a Counter-Offer to Respondent, and the Commission and the Respondent came to a Settlement Agreement wherein Respondent acknowledged the above facts and rule violations. The Commission suspended for a period of one year, Respondent’s right use the CFP[®], CERTIFIED FINANCIAL PLANNER[™] and  certification marks, in accordance with the Settlement Agreement.

The Commission considered no mitigating or aggravating factors.