

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 21874

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* when he was the subject of a client complaint related to the liquidity of an Auction Rate Security (“ARS”).

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

CFP Board alleged the following facts in its Complaint:

During a routine background check in 2007, CFP Board discovered that Respondent was involved in a National Association of Securities Dealers (“NASD”) Arbitration related to client dissatisfaction. A client of Respondent alleged that Respondent made unsuitable recommendations and misrepresentations relating to the liquidity of an ARS. The client requested the return of her original investment. The Respondent’s broker-dealer repurchased the client’s ARS position. No contribution was made by Respondent.

III. Commission’s Analysis and Conclusions Regarding Rule Violations

The Commission determined that Respondent could not have prevented the client’s losses, and that Respondent acted with diligence in his work and was prudent with his recommendations.

IV. Discipline Imposed

The Commission dismissed the matter as without merit.

The Commission considered no mitigating or aggravating factors.