

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 22170

This is a summary of a decision issued following the July 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 she allegedly breached an advertising contract for her law practice.

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

In March 2008, Respondent submitted an Initial Certification Application (“Application”) to CFP Board. In her Application, she disclosed her involvement in a claim for alleged breach of an advertising contract.

In March 2003, Respondent and her law partner formed a law practice. In June 2003, Respondent was hospitalized. In July 2003, Respondent’s child was born prematurely. Respondent continued to maintain the books and records for the law practice from the hospital, and later from home.

During this time, Respondent’s partner handled the law practice largely on her own. The law practice began to suffer financial difficulties. Despite the financial difficulties, Respondent and her law partner decided to continue the law practice. In June 2004, they signed a contract with a publication to place advertisements of the law practice in the publication. Shortly after signing the advertising contract, Respondent discovered that her law partner was working part-time for another firm and asked her to resign. Respondent and her law partner signed a resignation agreement.

In October 2004, Respondent suffered personal financial difficulties caused by the financial difficulties of the law practice. Respondent closed the law practice and contacted the publication to cancel the advertisements. Respondent was advised it was too late to cancel the advertising contract. In December 2007, the publication filed a contract claim against Respondent, holding her personally obligated for the law practice’s debt. Respondent settled with the publication and set up a payment schedule with the publication.

III. Commission's Analysis and Conclusions Regarding Rule Violations

- A. *Rule 607 – A CFP Board designee shall not engage in any conduct which reflects adversely on his or her integrity or fitness as a CFP Board designee, upon the marks, or upon the profession.*

The Commission found that Respondent engaged in conduct which reflects adversely on her integrity or fitness as a CFP Board designee, upon the marks, and upon the profession when she failed to comply with the terms of the advertising contract. Thus, Respondent violated Rule 607.

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 *Code of Ethics* Rule 607.

The Commission issued a Private Censure to Respondent pursuant to Article 4.1 of the *Disciplinary Rules* and authorized CFP Board to proceed with Respondent's certification.

The Commission considered the following mitigating factors:

1. Respondent's hospitalization;
2. The premature birth of Respondent's daughter; and
3. Respondent's law partner leaving the law practice.

The Commission considered no aggravating factors.