

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 22243

This is a summary of a decision issued following the February 2009 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 follow the instructions of his client (“Grievant”) to liquidate all of Grievant’s investments.

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

CFP Board’s complaint alleged the facts described below.

On February 4, Grievant called Respondent’s office to tell Respondent to liquidate all of her investments on that day because Grievant was switching financial advisors. Respondent was not in the office. The phone was answered by Respondent’s brother, who is not an investment professional. Grievant instructed Respondent’s brother to inform Respondent that she wanted all of her accounts liquidated. On February 5, 2008, Respondent liquidated two of Grievant’s accounts but did not liquidate her four other accounts. On February 15, Grievant filed a grievance with CFP Board alleging that she suffered a financial loss because Respondent failed to follow her instructions.

III. Commission’s Analysis and Conclusions Regarding Rule Violations

The Commission determined that CFP Board did not prove by a preponderance of the evidence that Respondent violated any rules of CFP Board’s *Code of Ethics*.

IV. Discipline Imposed

The Commission dismissed the case with a caution to Respondent. The Commission cautioned Respondent to: 1) consider improving his firm’s organizational structure with respect to client communications and appropriate staffing; and 2) review and revise his client service agreement to more clearly define communication responsibilities.

The Commission considered no mitigating or aggravating factors.