CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 22290

This is a summary of a decision issued following the July 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. Issues Presented

Whether an applicant for reinstatement of his CFP® certification ("Respondent") violated CFP Board's *Standards of Professional Conduct* ("*Standards*") when he filed for bankruptcy in 2004 and accrued various judgment liens.

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

In 2008, Respondent submitted his Reinstatement Application for CFP® Certification. During a routine background check, CFP Board discovered Respondent's 2004 bankruptcy ("Bankruptcy"). The Bankruptcy stemmed, in part, from hospital judgment liens from 1986, 1987 and 1989. Respondent also had two liens from 1986 and 1987 related to a past business that he had operated. In a Settlement Agreement entered into with the Commission, Respondent consented to the facts presented below.

In a statement to CFP Board, Respondent explained that the hospital judgment liens were the result of hospital or emergency room visits by his ex-wife, who he divorced in 1988. According to Respondent, his ex-wife gave Respondent's contact information to the hospitals as the guarantor of payment. Respondent stated that the judge overseeing his divorce ordered his ex-wife to pay the outstanding 1986 and 1987 hospital bills. However, because the bills were in Respondent's as well as his ex-wife's name, the hospitals included Respondent in their suit to recover payment.

According to Respondent, the 1986 and 1987 judgment liens included were the result of contract disputes related to a prior business. Respondent stated that he did not retain proof that he had paid these liens.

Respondent stated that he became extremely ill in 1998, stopped working and accumulated bills during the next four years. As Respondent's medical bills continued to mount, Respondent began using credit cards to relieve some of his debt, and eventually filed for bankruptcy in 2004.

III. Commission's Analysis and Conclusions Regarding Rule Violations

A. Rule 607 – Engaging in Conduct which Reflects Adversely on the CFP Board Designee's Integrity or Fitness as a CFP Board Designee, upon the Marks, or Upon the Profession.

The Commission found that Respondent failed to behave with integrity by accruing large credit card debts that eventually led to his bankruptcy. According to the Commission, by failing to properly manage his personal finances, Respondent engaged in conduct which reflects adversely on his integrity or fitness as a CFP Board designee, upon the marks, and upon the profession. Thus, Respondent violated Rule 607.

IV. Discipline Imposed

The Commission found grounds for discipline under Article 3(a) of CFP Board's *Disciplinary Rules and Procedures* ("*Disciplinary Rules*"). Article 3(a) establishes grounds for discipline for any violation of CFP Board's *Code of Ethics*. The Commission founds grounds for discipline under Article 3(a) because Respondent violated Rule 607 of the *Code of Ethics*.

Respondent submitted an Offer of Settlement to the Commission. The Commission accepted the Offer of Settlement, wherein the Respondent acknowledged the above facts and rule violations. The Commission issued a Private Censure to Respondent in accordance with the Settlement Agreement.

The Commission considered no mitigating and aggravating factors.