

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES

NUMBER 23271

This is a summary of a decision issued following the November 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 July 1, 2008. 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* when he had filed for bankruptcy twice.

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. Respondent filed for Chapter 7 bankruptcy protection in 1990. Respondent admitted in a written statement to CFP Board that the bankruptcy included debts related to his sole proprietorship as a commission- and fee-based planner. In 2002, Respondent decided to start an employee benefit business, which took longer than he anticipated. Debts related to establishing his business led to Respondent’s second Chapter 7 bankruptcy filing in 2003.

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’s Chapter 7 bankruptcy filings indicated his failure to effectively manage his financial affairs. According to the Commission, by failing to effectively manage his financial affairs, 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

Article 3(a) of CFP Board’s *Disciplinary Rules and Procedures* (“*Disciplinary Rules*”) provides grounds for discipline for any act or omission that violates the *Code of Ethics*. The Commission found grounds for discipline under Article 3(a) because Respondent violated Rule 607 of the *Code of Ethics*. The Commission and Respondent entered into a Settlement Agreement in which Respondent consented to the above facts and reasoning. Pursuant to the Settlement Agreement, Commission issued a three-year suspension of Respondent’s right to use the CFP[®] marks.

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