

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 23687

This is a summary of a decision issued following the February 2011 hearings of the Disciplinary and Ethics Commission (“Commission”) of Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

I. Issue Presented

Whether a registrant (“Respondent”) violated CFP Board’s *Standards of Professional Conduct* (“*Standards*”) when he filed for Chapter 7 Bankruptcy protection in 2009.

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

Respondent and his wife filed for Chapter 7 Bankruptcy in December 2009 in United States Bankruptcy Court for State A (“Court”). In April 2010, the Court issued a Final Decree stating that Respondent’s estate had been fully administered.

Respondent owned five residential properties and one commercial property in State B, a residential property in State A, and three retail stores in State A. Respondent stated that the retail stores failed due to the economic environment, and that he was unable to sell or rent the State B residential property. Respondent stated that he and his wife used all of their reserve funds. According to Respondent, he was unemployed from June 2009 to June 2010.

III. Discipline Imposed

Article 3(a) of CFP Board’s *Disciplinary Rules and Procedures* (“*Disciplinary Rules*”) provides grounds for discipline for misconduct by a certificant or registrant, including acts or omissions amounting to unprofessional conduct. A registrant, as defined in the *Standards*, is an individual who is not currently certified but who has been certified by CFP Board in the past and has an entitlement to potentially use the CFP® marks. Respondent is a registrant as defined in the *Standards*. Pursuant to Article 4.3 of the *Disciplinary Rules*, the Commission issued a two-year suspension.

The Commission considered the following mitigating factors:

1. Respondent’s bankruptcy filing related to dramatic depreciation in State B’s real estate market and Respondent did not act with undue risk;
2. Respondent attempted to mitigate his financial issues by using his one-year cash reserve and Roth IRAs;
3. Respondent’s conduct did not affect any clients; and
4. Respondent’s activities after the bankruptcy indicated a sincere effort to reestablish his financial planning career and abide by CFP Board’s *Standards*.

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The Commission considered that Respondent did not respond to CFP Board's requests on a timely basis as an aggravating factor.