

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 24390

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”). 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[®] professional (“Respondent”) violated CFP Board’s *Standards of Professional Conduct* when he did not respond to a Complaint issued to him by CFP Board.

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

In December 2009, a client filed a grievance with CFP Board reporting that Respondent had misappropriated her investment funds. CFP Board opened its investigation into the matter. In December 2010, CFP Board mailed a Complaint to Respondent at his CFP Board address of record.

The Complaint alleged that Respondent violated *Code of Ethics* Rules 102, 103(a), 103(d), 103(e), 201, 406, 606(a), 606(b) and 607 when he: 1) misrepresented the investment strategy and rate of return for investment products he sold to several clients; 2) fraudulently misappropriated money from clients; and 3) was ordered by a state regulator to cease and desist from selling unregistered securities, engaging in securities transactions as an unregistered agent and/or broker-dealer and employing an investment scheme intended to defraud the public.

Respondent did not submit an Answer in Response to CFP Board’s Complaint.

III. Discipline Imposed

Article 7.4 of CFP Board’s *Disciplinary Rules and Procedures* stipulates that if a Respondent fails to file an Answer to the Complaint within the 20-day period provided by Article 7.3, the Respondent shall be deemed to be in default, and the allegations set forth in the Complaint shall be deemed admitted. In such circumstance, an Order of Denial shall be issued to the Respondent.

Therefore, pursuant to Article 7.4, the Commission issued an Order to Revoke Respondent’s right to use the CFP[®], CERTIFIED FINANCIAL PLANNER[™],  and  certification marks.