

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES  
NUMBER 25371

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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 filed for Chapter 7 Bankruptcy.

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

Respondent filed for Chapter 7 bankruptcy protection in September 2008. The bankruptcy was discharged in December 2008. Respondent attributed the bankruptcy to multiple factors including his wife’s unemployment and medical problems, various medical expenses related to his son’s birth defect and a period of unemployment.

I. 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 that reflects adversely on his integrity and fitness as a CFP Board designee, upon the marks and upon the profession. Thus, Respondent violated Rule 607.

II. 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 Rules 607 of the *Code of Ethics*. Pursuant to Article 4.4 of the *Disciplinary Rules*, the Commission issued the Respondent an Order to Revoke Permanently the Respondent’s right to use the CFP® marks.

The Commission considered as mitigating factors:

1. Health care issues concerning Respondent's wife and son and the associated financial responsibility therein.
2. Respondent satisfied a portion of his debt and liquidated his Individual Retirement Account.

The Commission considered as an aggravating factor that since 2003, Respondent discharged multiple debts in addition to the debts discharged in the Chapter 7 Bankruptcy filing.