

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES  
NUMBER 25880

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This is a summary of a decision issued following the June 2011 hearings of the Disciplinary and Ethics Commission (“Commission”) of Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The Application for Initial Certification at issue in this case was filed prior to January 1, 2011. CFP Board’s *Candidate Fitness Standards* were in effect at that time.

I. Issue Presented

Whether a candidate for CFP® certification (“Respondent”) could be certified when he filed for bankruptcy five years prior to applying for certification.

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

Respondent filed for Chapter 13 Bankruptcy in September 2008. CFP Board discovered the matter during a routine background check following receipt of Respondent’s Initial Application in December 2010. In May 2011, Respondent filed a Petition for Reconsideration pursuant to Article 7.3 of CFP Board’s *Disciplinary Rules and Procedures*.

Respondent’s bankruptcy filing resulted from his divorce, home repairs, medical treatment, and providing for his ailing parents. Other factors that contributed to the bankruptcy filing included Respondent’s student loan payments, home refinancing and child support payments. The bankruptcy is scheduled for discharge in September 2013.

III. Discipline Imposed

Under CFP Board’s *Candidate Fitness Standards*, a bankruptcy filing within five years prior to applying for CFP® certification is presumed to be unacceptable, and will bar an individual from becoming certified unless the individual petitions the Commission for reconsideration.

The Commission determined that Respondent’s Chapter 13 Bankruptcy filing reflected adversely on his fitness as a candidate for CFP® certification, upon the profession and upon the CFP® certification marks. However, the Commission granted Respondent’s Petition for Reconsideration, citing in mitigation his numerous letters of recommendation and his initiative to pay off his debts. The Commission cited Respondent’s unclear explanation of how he had accumulated the debt that caused him to refinance his home as an aggravating factor.