

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES  
NUMBER 25912

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This is a summary of a decision issued following the March 2012 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 before January 1, 2009. The Rules in effect for conduct occurring before January 1, 2009 were Rules 101 through 705 of CFP Board’s *Code of Ethics and Professional Responsibility* (“*Code of Ethics*”).

I. Issue Presented

Whether a CFP<sup>®</sup> 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. Facts Relevant to CFP Board’s Decision



In December 2010, Respondent disclosed that the Financial Industry Regulatory Authority, Inc. (“FINRA”) investigated his conduct in connection with a 2010 Client A FINRA Arbitration and a 2010 Client B FINRA Arbitration. CFP Board opened its investigation into the matter. In December 2011, 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, 201, 606(b), 607 and 703 when he: 1) altered account documents for Client A’s Trust without having Client A initial the documents to indicate her consent; 2) recommended Client A purchase an annuity, despite the product being laden with features and riders she did not need or understand; 3) recommended Client A purchase speculative investments, which was not in accordance with her moderate to conservative risk tolerance and investment objective of capital preservation; and 4) recommended Client B purchase a speculative investment, which was not in accordance Client B’s conservative to moderate risk tolerance.

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 Revocation shall be issued to the respondent.

Therefore, pursuant to Article 7.4, CFP Board issued an Order to Revoke Respondent's right to use the CFP<sup>®</sup>, CERTIFIED FINANCIAL PLANNER<sup>™</sup>,  and  certification marks.

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