CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 25951

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 conduct at issue in this case occurred after January 1, 2009. The Rules in effect at that time under the *Rules of Conduct* were Rules 1.1 through 6.5.

I. Issue Presented

Whether a CFP® professional ("Respondent") violated CFP Board's *Standards of Professional Conduct* when he filed for bankruptcy.

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

Respondent filed for Chapter 7 Bankruptcy in December 2010. Respondent disclosed the matter to CFP Board in January 2011. According to Respondent, the bankruptcy resulted from the cost of care for his special needs daughter, losses related to his real estate investments, and the loss of income sustained from his resignation in 2010.

III. Commission's Analysis and Conclusions Regarding Rule Violations

Rule 6.5 – A certificant shall not engage in conduct which reflects adversely on his or her integrity or fitness as a certificant, upon the CFP® marks, or upon the profession.

The Commission found that Respondent's Chapter 7 Bankruptcy filing reflected an inability to manage his personal finances. According to the Commission, by failing to manage his personal finances and filing for Chapter 7 Bankruptcy, Respondent engaged in conduct that reflects adversely on his integrity and fitness as a CFP® professional, upon the marks and upon the profession. Thus, Respondent violated Rule 6.5 of the *Rules of Conduct*, thereby providing grounds for discipline under Article 3 of the *Disciplinary Rules and Procedures* ("*Disciplinary Rules*").

IV. Discipline Imposed

Article 3(a) of CFP Board's *Disciplinary Rules* provides grounds for discipline for any act or omission that violates the *Rules of Conduct*. The Commission found grounds for discipline under Article 3(a) because Respondent violated Rule 6.5 of the *Rules of Conduct.* Pursuant to Article 4.2 of the *Disciplinary Rules*, the Commission issued Respondent a Public Letter of Admonition.

The Commission considered the following mitigating factors in making its decision:
1) Respondent's firm did not terminate his employment, despite his bankruptcy filing; 2) Respondent attempted to remedy his financial situation; and 3) Respondent is continuing to improve professionally by pursuing a Masters degree in Financial Planning.

The Commission considered in aggravation that Respondent continued to purchase property even though the marketplace had started to decline.