CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 26700

This is a summary of a decision issued following the November 2011 hearings of the Disciplinary and Ethics Commission ("Commission") of Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The Application for Reinstatement of Certification ("Application") at issue in this case was filed after January 1, 2011. CFP Board's *Fitness Standards for Candidates and Registrants* ("*Fitness Standards*") were in effect at that time.

I. Issue Presented

Whether a registrant ("Respondent") could be certified when he filed for Chapter 7 bankruptcy protection less than five years prior to applying for certification.

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

In February 2010, Respondent filed for Chapter 7 Bankruptcy protection in the Bankruptcy Court. Respondent explained that his bankruptcy filing was a result of the failure of a bank that he founded and managed until a disagreement with the bank's board of directors led to his removal as President and CEO. The Bankruptcy Court discharged Respondent's bankruptcy in June 2010.

In May 2011, CFP Board discovered Respondent's Chapter 7 Bankruptcy during a routine background check. In September 2011, Respondent filed a Petition for Consideration pursuant to Article 7.3 of CFP Board's *Disciplinary Rules and Procedures*.

III. Discipline Imposed

Under CFP Board's *Fitness Standards*, one personal or business bankruptcy filed within the last five years is conduct that is presumed to be unacceptable, and will bar an individual from becoming certified unless the individual petitions the Commission for consideration.

The Commission determined that Respondent's conduct reflected adversely on his fitness for CFP® certification, upon the profession and the CFP® certification marks. Thus, the Commission denied Respondent's Petition for Consideration. Respondent may re-apply for CFP® certification in June 2015.

The Commission cited the following mitigating factors:

1. The disagreement between the president and board of the bank was understandable under the circumstances; and
2. Respondent took appropriate steps to reduce expenses following his sudden unemployment.

The Commission cited the following aggravating factors:

1. Respondent did not maintain any emergency funds;
2. Respondent committed all of his assets to the bank; and
3. Respondent failed to establish his current source of income.