

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 26835

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 Initial 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 candidate for CFP® certification (“Respondent”) could be certified when he was terminated by his firm in 2007 and investigated by the Financial Industry Regulatory Authority, Inc. (“FINRA”).

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

Respondent’s firm found Respondent violated employer policies when he: 1) failed to submit client checks in a timely manner; 2) had clients sign blank account documents; and 3) failed to submit certain client documents to his firm. FINRA completed its inquiry into the termination without taking any disciplinary action. In his response to CFP Board’s Notice of Investigation, Respondent explained his employer policy violations as follows: 1) he made efforts to forward the checks totaling approximately \$100 to the proper recipient; 2) he maintained blank documents signed and initialed by clients in order to save the clients time; and 3) he did not submit client documents to his firm because the documents contained errors.

In June 2011, Respondent disclosed the 2007 termination and subsequent FINRA investigation in his Application. In September 2011, Respondent filed a Petition for Reconsideration pursuant to Article 7.3 of CFP Board’s *Disciplinary Rules and Procedures*.

III. Discipline Imposed

Under CFP Board’s *Fitness Standards*, conduct that may reflect adversely upon the profession or the CFP® certification marks 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 conduct did not reflect adversely on his fitness as a candidate for CFP® certification, upon the profession and the CFP® certification marks. Thus, the Commission granted Respondent’s Petition for Reconsideration, on the condition that Respondent view two of CFP Board’s webinars, “*How To Apply the Fiduciary Standard to a Financial Planning Practice*” and “*How To Avoid a CFP Board Rule Violation*.”

The Commission considered the following mitigating factors:

1. Respondent had no history of customer complaints;
2. Respondent was remorseful;
3. The termination appeared to be motivated in part by office politics;
4. Respondent's lack of administrative help may have caused some deficiencies; and
5. Many individuals submitted letters of support on Respondent's behalf.

The Commission considered the following aggravating factors;

1. Some of the forms Respondent kept signed and blank were designed to disclose important facts regarding products an advisor may recommend;
2. The checks Respondent had were almost four months old at the time of his termination; and
3. Respondent demonstrated poor judgment in handling these events.