

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES  
NUMBER 27223

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This is a summary of a Settlement Agreement entered into at 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 prior to and after January 1, 2009. The Rules in effect prior to January 1, 2009 under the *Code of Ethics and Professional Responsibility* (“*Code of Ethics*”) were Rules 101 through 705. The Rules in effect after January 1, 2009 under the *Rules of Conduct* were Rules 1.1 through 6.5.

I. Issues Presented

Whether a CFP® professional (“Respondent”) violated CFP Board’s *Standards of Professional Conduct* when he: 1) filed for Chapter 7 Bankruptcy in December 2007; and 2) failed to provide documents requested by CFP Board Staff.

II. Findings of Fact

In December 2007, Respondent filed for Chapter 7 Bankruptcy protection in a United States District Court (“Court”). In April 2008, the Court discharged Respondent’s Chapter 7 Bankruptcy. Respondent discharged the following debts over \$15,000: 1) approximately \$20,000 for credit card purchases; 2) approximately \$50,000 for student loans; and 3) approximately \$15,000 for vehicle payments.

Respondent explained his bankruptcy was the result of his failure to obtain self-employment.

III. Rule Violations

- A. *Rule 607 – A CFP Board designee shall not engage in conduct which reflects adversely on integrity or fitness as a CFP Board designee, upon the marks, or upon the profession.*

Respondent engaged in conduct that reflects adversely on his integrity and fitness as a CFP Board designee, upon the CFP® marks and upon the profession when he demonstrated an inability to manage his personal finances by filing for Chapter 7 Bankruptcy in December 2007. Thus, Respondent violated *Code of Ethics* Rule 607.

*B. Rule 6.1 – A certificant shall abide by the terms of all agreements with CFP Board, including, but not limited to, using the CFP® marks properly and cooperating fully with CFP Board’s trademark and professional review operations and requirements.*

Respondent failed to abide by the terms of all agreements with CFP Board when he failed to provide documents requested by CFP Board Staff. Thus, Respondent violated *Rules of Conduct* Rule 6.1.

#### IV. Discipline Imposed

The Commission found grounds for discipline under Articles 3(a) and 3(f) of CFP Board’s *Disciplinary Rules and Procedures* (“*Disciplinary Rules*”). Article 3(a) of CFP Board’s *Disciplinary Rules* provides grounds for discipline for any act or omission that violates the *Code of Ethics* or *Rules of Conduct*. The Commission found grounds for discipline under Article 3(a) because Respondent violated Rule 607 of the *Code of Ethics* and Rule 6.5 of the *Rules of Conduct*. Article 3(f) provides grounds for discipline for obstruction of CFP Board staff in the performance of their duties. The Commission found grounds for discipline under Article 3(f) because Respondent failed to completely respond to CFP Board’s request for information.

The Commission and Respondent entered into a Settlement Agreement in which Respondent consented to the Findings of Fact and Rule Violations. Based on the terms of the Settlement Agreement, the Commission issued to Respondent a Public Letter of Admonition, pursuant to Article 4.2 of the *Disciplinary Rules*.

The Commission considered the following mitigating factors: 1) Respondent acknowledged this matter reflected adversely and requested a Public Letter of Admonition; 2) Respondent was humble and accepted full responsibility for the bankruptcy; and 3) Respondent took actions to reduce expenditures, including moving in with family.

The Commission did not consider any aggravating factors.