

CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 27424

This is a summary of a decision issued following the June 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 January 1, 2009. The Rules in effect at that time under the *Code of Ethics and Professional Responsibility* (“Code of Ethics”) were Rules 101 through 705.

I. Issue Presented

Whether a CFP[®] professional (“Respondent”) violated CFP Board’s *Standards of Professional Conduct* when he filed for Chapter 13 Bankruptcy in 2007.

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

In October 2007, Respondent filed for Chapter 13 Bankruptcy protection in the Bankruptcy Court (“Court”). In his statement to CFP Board, Respondent indicated that the bankruptcy was due to his loss of income, his wife’s disability and the financial support he provided to his children during the financial crisis. In January 2008, the Court entered an Order Confirming Respondent’s Chapter 13 repayment plan. In September 2008, the Court discharged Respondent’s Chapter 13 Bankruptcy after the completion of his Chapter 13 Plan.

III. Commission’s Analysis and Conclusions Regarding Rule Violations

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

The Commission determined that Respondent engaged in conduct that reflects adversely on his integrity and fitness as a CFP[®] professional, upon the CFP[®] marks and upon the profession when he demonstrated his inability to manage his personal finances by filing for Chapter 13 Bankruptcy in 2007. Thus, Respondent violated *Code of Ethics* Rule 607.

IV. Discipline Imposed

Article 3(a) of CFP Board’s *Disciplinary Rules and Procedures* (“Disciplinary Rules”) provides grounds for discipline for any act or omission that violates the *Code of Ethics*. The Commission found grounds for discipline under Article 3(a) because Respondent violated Rule 607 of the *Code of Ethics*. Pursuant to Article 4.1 of the *Disciplinary Rules*, the Commission issued a Private Censure to Respondent.

The Commission considered as mitigating factors that: 1) Respondent's bankruptcy was caused, in part, by his wife's illness; and 2) Respondent repaid several of his creditors less than a year after the beginning of his repayment plan.

The Commission considered as an aggravating factor that Respondent extended himself financially by financially supporting his children.