CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

ANONYMOUS CASE HISTORIES
NUMBER 29005

This is a summary of a Settlement Agreement entered into at the October 2014 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 both prior to and after January 1, 2009. The Rules in effect for conduct occurring prior to January 1, 2009 were Rules 1.1 through 6.5 of the *Code of Conduct* and for conduct after January 1, 2009, the rules in effect were Rules 101 through 705 of the *Code of Ethics*.

I. Issue Presented

Whether a CFP® professional ("Respondent") violated CFP Board's *Standards of Professional Conduct* when she sold "C" shares to her clients not because they were suitable, but as a method of ensuring that she was paid for her advisory services, and failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients and failed to: 1) ensure that salespersons were making suitable "C" share investment recommendations; 2) enforce the RIA Manual requirement of a written advisory agreement for clients using "C" shares as an advisory fee; and 3) enforce the requirement of delivery of the Disclosure Document. Respondent also failed to reasonably supervise her salespersons by failing to ensure that salespersons were making suitable "C" share investment recommendations. Respondent also failed to report her suspension by State from acting in any principal or supervisory capacity for twelve months to CFP Board within 30 calendar days, in violation of Article 13.2 of the *Disciplinary Rules and Procedures* ("*Disciplinary Rules*").

II. Findings of Fact

In her February 2014 Renewal Application, Respondent disclosed her involvement in a 2012 State Department of Financial Institutions Securities Division Consent Order. In March 2014, CFP Board sent a Notice of Investigation ("NOI") to Respondent requesting information and documentation relating to the Consent Order. Respondent responded to the NOI in April 2014.

RESPONDENT'S STATEMENT TO CFP BOARD

According to Respondent's statement to CFP Board, she is currently the majority owner of her firm, a broker dealer and SEC Registered Investment Adviser. Six years ago, in May 2009, Respondent's firm had a State examination that led to the firm's first regulatory action. The issue that caused the State's concern was mostly associated with Respondent's client accounts. Respondent was using "C" shares in lieu of charging advisory fees to reduce costs for her smaller personal clients. Respondent stated that she did not understand why the State examiner wanted her to verbally disclose all share classes when she would not recommend an A or B share to an advisory client.

Respondent confirmed that she was the main person at her firm using "C" shares in lieu of fees. The State deposed five of her representatives and three were named in the Consent Order. Respondent believed that the reason the State determined that she had violated a regulation was because her firm did not require written advisory agreements on its smaller "C shares in lieu of fee accounts." Without those agreements in place, the State determined that the accounts were brokerage accounts and subject to brokerage rules. Respondent stated that she had obtained a legal opinion from her attorney that her firm did not need to have written agreements. The

State did not agree with her attorney's interpretation. Respondent confirmed that she now has written agreements for all her accounts.

The State suspended Respondent from acting in a principal capacity for one year. She pointed out that they did not suspend her from being a registered representative or investment advisory representative. Respondent confirmed that she re-tested and passed the Series 24 Exam. Respondent also stated that her firm now ensures that all fee-in-lieu of accounts have written agreements in place. Her firm's internal database is now properly coded to recognize those accounts. Any "C" shares purchased in brokerage accounts under a 5-year time horizon now have written acknowledgements from clients that they understand they may pay more if they hold the funds over five years.

2009-2012 STATE INVESTIGATION AND 2012 CONSENT ORDER

2009 State Deficiency Letter

In July 2009, a Senior Financial Examiner ("Examiner") with the State issued a Deficiency Letter to Respondent and her firm after completing an examination of her firm's books and records and the firm's sales activity from May 2007, through May 2009. The Examiner brought five matters to Respondent's attention for response and corrective action. The first matter concerned the State's review of "C" share sales by Respondent, Respondent's business partner and the firm's Chief Compliance Officer. The State reviewed 22 customer accounts and determined that 11 held significant, if not 100% mutual fund "C" shares. The remaining accounts were fee-based and were invested in no-load funds or had previously held "C" shares. All but one of the accounts had a 5 to 10 year time horizon.

The Examiner indicated that she discussed this issue with Respondent. Respondent told the Examiner that she only sold "C" share mutual funds in brokerage accounts and no-load funds in managed accounts. Respondent also stated that she did this so that she could be paid for her services. Respondent's clearing firm would not allow her firm representatives to open small (less than $300,000) investment advisory accounts. Respondent indicated that the cost of billing quarterly was expensive and inconvenient, and that she would have to withhold a certain amount of client funds to pay for fees, instead of having them fully invested. Respondent stated that she viewed "C" share fees as the cost a client has to be willing to incur for her services.

The Examiner referenced a FINRA examination conducted at Respondent's firm in December 2008. The Examiner stated that Respondent indicated that the FINRA Examiner verbally informed Respondent that selling "C" shares exclusively was a problem, but he didn't put it in writing in his deficiency letter.

The Examiner brought four additional matters to Respondent's attention for response and corrective action:

1. Supervision – Review and Retention of Correspondence

The Examiner found that Respondent's firm did not maintain a correspondence file and there was no evidence of firm review and approval of correspondence.

2. Suitability of Variable Annuity Sales

The Examiner directed Respondent's firm to revise written procedures which addressed age, liquidity, time horizons, concentration, tax benefits, and other suitability issues for variable annuities.

3. Advertisements

The Examiner found that Respondent's firm was not maintaining an advertising file. Respondent's firm was directed to create an advertising file.

4. Books and Records

Client records should be updated at least every three years for those accounts for which the firm has made a suitability determination within the last three years. The Examiner found some client files for which the account information was more than three years old. The Examiner directed Respondent's firm to update and complete new account information for those clients. The Examiner stated that the five above-referenced matters were referred to the State's Enforcement Section for further review.

In July 2009, Respondent responded to the Examiner's Deficiency Letter. Respondent addressed each of the five matters of concern beginning with the "C" share issue. Respondent stated that her firm's "C" share clients had the choice of paying more for the same investment in a fee-based account or to choose the cheaper 'C" share option. Respondent pointed out that she discussed the "C" share issue with a FINRA Examiner during her firm's 2003 FINRA exam, with another FINRA Examiner during her firm's 2008 exam, and again with the State Examiner during the State's exam. Respondent stated that in order to be compliant with FINRA's rules, the firm decided to limit the timeline for "C" share suitability to 5 to 10 years. Respondent observed that the Examiner did not believe that this action was an appropriate solution. Respondent stated that her firm would send letters to "C" share clients educating them on their options and inform them of her firm's opinion on the matter, and let the client decide.

Continuation of 2009-2012 State Investigation

In her April 2014 statement to CFP Board, Respondent stated that the State's investigation was a firm-wide investigation that spanned three years. She observed that "it would take a truck to deliver all the documents pertaining to this action [Consent Order]." During a conference call with CFP Board in June 2014, CFP Board Compliance Counsel directed Respondent to provide a copy of the timeline she prepared on the State Investigation which included events between the time of the Deficiency Letter and the Consent Order. In July 2014, Respondent provided a copy of her timeline.

2012 State Consent Order

In August 2012, Respondent and her firm entered into a Consent Order with the State, neither admitting nor denying the State's findings of fact and conclusions of law. The State found that:

- Respondent's firm used annual fees from "C" shares as a way to receive compensation for investment advisory services to some clients who did not meet the minimum asset requirements for its traditional advisory accounts.

- Respondent's firm's failure to follow its own procedures concerning the sale of mutual funds resulted in clients receiving inadequate disclosures, and, in some cases, unsuitable investments.

- Respondent's firm and Respondent failed to provide "C" share advisory clients with written disclosures containing the information then so required by Part 2 of Form ADV. They also failed to provide to customers a complete, comprehensive description of the share class options and fees of mutual funds.

- The offer of "C" share mutual funds was made in violation of a State statute because Respondent's firm and Respondent made misrepresentations of material facts and/or omitted to state material facts

necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading, and they engaged in acts, practices, and courses of business which operated as a deceit.

- Respondent's firm and Respondent violated another State statute by failing to enter into written advisory agreements, failing to provide written disclosures, and failing to provide a complete description of the share class options and fees of mutual funds. Such practices operate as a deceit. The State statute provides that it is unlawful for an investment adviser to engage in any practice which would operate as a deceit.

- Respondent's firm and Respondent failed to reasonably supervise their salespersons by failing to ensure that salespersons were making suitable "C" share investment recommendations. Respondent's firm and Respondent also failed to reasonably supervise their salespersons by failing to enforce the RIA Manual requirement of a written advisory agreement for clients using "C" shares as an advisory fee and failing to enforce the requirement of delivery of the Disclosure Document. Pursuant to another State statute, such conduct is grounds to suspend Respondent from acting in any principal or supervisory capacity for twelve months and impose a fine against Respondent's firm.

The State ordered:

1. Respondent's firm and Respondent to cease and desist from violating the State statutes;

2. Respondent's suspension from acting in any principal or supervisory capacity with any firm for a period of 12 months, beginning on the date of entry of the Consent Order. In addition, before associating with any firm in any principal or supervisory capacity, Respondent will have to retake and pass the examination for registration as a General Securities Principal.

3. Respondent's firm to pay a fine of $25,000.

4. Respondent's firm to pay investigative costs of $15,000.

Respondent's suspension was effective from August 1, 2012, through August 1, 2013.

In her June 2014 Response to CFP Board, Respondent provided proof of payment of the $25,000 fine and the $15,000 in investigative costs. Respondent's BrokerCheck Report confirmed that Respondent passed the Series 24 General Securities Principal Exam in August 2013.

In her July 2014 Response to CFP Board, Respondent confirmed that she was not personally fined. She stated that her firm paid the fine and fees. She also stated that the majority of her accounts at the time of the State examination were "fee-in lieu." She estimated that she had 70 account relationships and that most of the accounts that were "C" shares in lieu of fees had a time horizon of 5 to 10 years. She further explained that of the "C" share clients that were at issue, most were still her clients. Those that are still with her firm and all new clients have written advisory agreements that have "C" share disclosures.

In August 2014, the firm's current CCO provided further information and documentation in response to CFP Board's July 2014 request. The CCO provided a copy of FINRA's November 2008 Deficiency Letter, referenced above. The Examination Report identified 26 exceptions relating to Respondent's firm covering many regulatory areas including: firm supervision, anti-money laundering, net capital, customer protection, suitability, and customer information and disclosures. The Report did not reference any exceptions concerning the firm's use of "C" shares in lieu of fees. An Addendum to the Report addressed 87 deficiencies regarding the firm's Written Supervisory Procedures.

The CCO also provided copies of the written Investment Management Agreements now in place for Respondent's "C" Share clients referenced in the State's Deficiency Letter. The CCO addressed how Respondent determined that "C" shares were suitable for her clients with a 5-10 year time horizon. He stated that Respondent believed that "C" shares were better for her clients than "A" or "B" shares due to the avoidance of the front-end load of "A" shares and the contingent deferred sales charges of "B" shares. Respondent did not view "C" shares as a short-term solution, but as a pricing choice. The CCO added that the former CCO understood Respondent's approach and approved it. In order to make sure the firm addressed regulatory concerns, the firm used a time horizon of 0 to 5 years.

As to Respondent's supervision of salespersons making suitable "C" share recommendations, the CCO stated that another firm representative also used "C" shares as Respondent did. This representative indicated to the State that he explained all share class options and gave the client the chance to choose for themselves which share class they wanted to purchase. As to supervision, the CCO noted that the former CCO did all the blotter reviews, suitability spot checks and supervised Respondent's new account activities. The former CCO believed that use of "C" shares with a 5 to 10 year time horizon could be suitable under "certain circumstances."

The CCO also responded to CFP Board's inquiry as to whether Respondent's firm obtained any legal opinion **prior** to the commencement of the State's investigation regarding its need to have written advisory agreements for its "C" share clients. He stated that the former CCO and Respondent met with Respondent's attorney when he was in town in the fall of 2008, during the firm's FINRA exam. They asked him for guidance on "C" shares and after explaining how the firm used them, he indicated that the firm was using them as "C" shares in lieu of fees. The firm then immediately added a disclosure to its automated notices system that "C" shares may be used in lieu of fees. At that time, Respondent's attorney did not mention that the firm needed to have written agreements, nor was he asked if the firm needed to have them. The CCO stated that Respondent observed "[i]t later made sense that he didn't mention it, because he didn't believe we needed them." Respondent also observed that she noted the meeting with her attorney in her August 2008, through December 2008, summary that she provided to CFP Board.

ARTICLE 13.2 - DUTY TO REPORT PROFESSIONAL DISCIPLINE

In accordance with Article 13.2 of the Disciplinary Rules, Respondents are required to notify CFP Board of a professional discipline in writing within 30 calendar days after the date on which the Respondent is notified of the discipline. Respondent was notified of her suspension in August 2012. Respondent did not report her suspension to CFP Board until February 2014, the date of her Renewal Application. Respondent failed to report her suspension within the required 30 calendar days. In June 2014, CFP Board sent Respondent a Request for Additional Information including an explanation for her failure to disclose her suspension. Respondent responded in June 2014, stating "It did not occur to me to check. It wasn't until I renewed my license that I saw the disclosure question and immediately contacted you. I should have been more diligent."

III. Rule Violations

A. Rule 102 – In the course of professional activities, a CFP Board designee shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to a client, employer, employee, professional colleague, governmental or other regulatory body or official, or any other person or entity.

Respondent engaged in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly made a false or misleading statement to a client, employer, employee, professional colleague, governmental or other regulatory body or official, or any other person or entity when from 2007 through 2008 she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class

options and fees of mutual funds to her "C" share advisory clients. Pursuant to a State statute, such practices operate as a deceit. Thus, Respondent violated *Code of Ethics* Rule 102.

B. *Rule 201 – A CFP Board designee shall exercise reasonable and prudent professional judgment in providing professional services.*

Respondent failed to exercise reasonable and prudent professional judgment in providing professional services when from 2007 through 2008, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Thus, Respondent violated *Code of Ethics* Rule 201.

C. *Rule 401(a) – In rendering professional services, a CFP Board designee shall disclose to the client material information relevant to the professional relationship, including, conflict(s) of interest, the CFP Board designee's business affiliation, address, telephone number, credentials, qualifications, licenses, compensation structure and any agency relationships, and the scope of the CFP Board designee's authority in that capacity.*

Respondent failed to disclose to the client material information relevant to the professional relationship, including, conflict(s) of interest, the CFP Board designee's business affiliation, address, telephone number, credentials, qualifications, licenses, compensation structure and any agency relationships, and the scope of the CFP Board designee's authority in that capacity when from 2007 through 2008, she failed to provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Thus, Respondent violated *Code of Ethics* Rule 401(a).

D. *Rule 406 – A CFP Board designee shall perform professional services with dedication to the lawful objectives of the employer and/or in accordance with the Code of Ethics.*

Respondent failed to perform professional services with dedication to the lawful objectives of the employer and/or in accordance with the Code of Ethics when from 2007 through 2008, she failed to: 1) follow the RIA Manual requirement of a written advisory agreement for clients using "C" shares as an advisory fee; and 2) supervise her salespersons by failing to ensure that they followed the RIA Manual requirement of a written advisory agreement for clients using "C" shares as an advisory fee. Thus, Respondent violated *Code of Ethics* Rule 406.

E. *Rule 606(a) – A CFP Board designee shall perform services in accordance with applicable laws, rules and regulations of governmental agencies and other applicable authorities.*

Respondent failed to perform services in accordance with applicable laws, rules and regulations of governmental agencies and other applicable authorities when from 2007 through 2008, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients, in violation of two State statutes. Thus, Respondent violated *Code of Ethics* Rule 606(a).

F. *Rule 606(b) – A CFP Board designee shall perform services in accordance with applicable rules, regulations and other established policies of CFP Board.*

Respondent failed to perform services in accordance with applicable rules, regulations and other established policies of CFP Board when from 2007 through 2008, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her

"C" share advisory clients, in violation of two State statutes and Rules 102, 201, 401(a), 406, 606(a), and 607. Thus, Respondent violated *Code of Ethics* Rule 606(b).

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

Respondent engaged in conduct which reflects adversely on her integrity or fitness as a CFP Board designee, upon the marks, or upon the profession when from 2007 through 2008, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Thus, Respondent violated *Code of Ethics* Rule 607.

H. *Rule 1.4 – A certificant shall at all times place the interest of the client ahead of his or her own. When the certificant provides financial planning or material elements of financial planning, the certificant owes to the client the duty of care of a fiduciary as defined by CFP Board.*

Respondent failed to place the interest of the client ahead of her own when from January 1, 2009 through May 1, 2009, she sold "C" shares to her clients primarily as a method of ensuring that she was paid for her advisory services as opposed to focusing on the appropriateness of the recommendations. Thus, Respondent violated *Rules of Conduct* Rule 1.4.

I. *Rule 2.1 – A certificant shall not communicate, directly or indirectly, to clients or prospective clients any false or misleading information directly or indirectly related to the certificant's professional qualifications or services. A certificant shall not mislead any parties about the potential benefits of the certificant's service. a certificant shall not fail to disclose or otherwise omit facts where that disclosure is necessary to avoid misleading clients.*

Respondent communicated false or misleading information directly or indirectly related to the certificant's professional qualifications or services when from January 1, 2009 through May 1, 2009, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Pursuant to a State statute, such practices operate as a deceit. Thus, Respondent violated *Rules of Conduct* Rule 2.1.

J. *Rule 2.2(a) – A certificant shall disclose to a prospective client or client an accurate and understandable description of compensation arrangements being offered.*

Respondent failed to disclose to a prospective client or client an accurate and understandable description of compensation arrangements being offered when from January 1, 2009 through May 1, 2009, she failed to provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Thus, Respondent violated *Rules of Conduct* Rule 2.2(a).

K. *Rule 4.1 – A certificant shall treat prospective clients and clients fairly and provide professional services with integrity and objectivity.*

Respondent failed to treat prospective clients and clients fairly and provide professional services with integrity and objectivity when from January 1, 2009 through May 1, 2009, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Thus, Respondent violated *Rules of Conduct* Rule 4.1.

L. Rule 4.3 – A certificant shall comply with applicable regulatory requirements governing professional services provided to the client.

Respondent failed to comply with applicable regulatory requirements governing professional services provided to the client when from January 1, 2009 through May 1, 2009, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients, in violation of two State statutes. Thus, Respondent violated *Rules of Conduct* Rule 4.3.

M. Rule 4.4 – A certificant shall exercise reasonable and prudent professional judgment in providing professional services to clients.

Respondent failed to exercise reasonable and prudent professional judgment in providing professional services to clients when from January 1, 2009 through May 1, 2009, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Thus, Respondent violated *Rules of Conduct* Rule 4.4.

N. Rule 4.6 – A certificant shall provide reasonable and prudent professional supervision or direction to any subordinate or third party to whom the certificant assigns responsibility for any client services.

Respondent failed to provide reasonable and prudent professional supervision or direction to any subordinate or third party to whom the certificant assigns responsibility for any client services when from January 1, 2009 through May 1, 2009, she failed to: 1) ensure that salespersons were making suitable "C" share investment recommendations; 2) enforce the RIA Manual requirement of a written advisory agreement for clients using "C" shares as an advisory fee; and 3) enforce the requirement of delivery of the Disclosure Document. Pursuant to a State statute, such conduct was grounds to suspend Respondent from acting in any principal or supervisory capacity. Thus, Respondent violated *Rules of Conduct* Rule 4.6.

O. Rule 5.1 – A certificant shall perform professional services with dedication to the lawful objectives of the employer/principal and in accordance with CFP Board's Code of Ethics

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Respondent failed to perform professional services with dedication to the lawful objectives of the employer/principal and in accordance with CFP Board's *Code of Ethics* when from January 1, 2009 through May 1, 2009, she failed to: 1) follow the RIA Manual requirement of a written advisory agreement for clients using "C" shares as an advisory fee; and 2) supervise her salespersons by failing to ensure that they followed the RIA Manual requirement of a written advisory agreement for clients using "C" shares as an advisory fee. Thus, Respondent violated *Rules of Conduct* Rule 5.1.

P. 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.

Respondent engaged in conduct which reflects adversely on her integrity or fitness as a certificant, upon the CFP® marks, or upon the profession when from January 1, 2009 through May 1, 2009, she failed to: 1) enter into written advisory agreements with her "C" share advisory clients; 2) provide written disclosures required by Part 2 of Form ADV to her "C" share advisory clients; and 3) provide a complete description of the share class options and fees of mutual funds to her "C" share advisory clients. Thus, Respondent violated *Rules of Conduct* Rule 6.5.

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 Rules 102, 201, 401(a), 406, 606(a), 606(b), and 607 of the *Code of Ethics* and Rules 1.4, 2.1, 2.2(a), 4.1, 4.3, 4.4, 4.6, 5.1 and 6.5 of the *Rules of Conduct.* Article 3(d) of CFP Board's *Disciplinary Rules* provides grounds for discipline for any act that is the proper basis for a professional suspension. State suspended Respondent from acting in any principal or supervisory capacity for twelve months, thereby providing grounds for discipline pursuant to Article 3(d). Article 3(e) provides grounds for discipline for any act or omission that violates the provisions of the *Disciplinary Rules*. Under Article 13.2 of the *Disciplinary Rules*, every CFP® professional who receives a suspension of a professional license must notify CFP Board within 30 calendar days after receiving notification of the suspension. Respondent was notified of her suspension on August 2012. Respondent did not report her suspension to CFP Board until February 2014, the date of her Renewal Application. Therefore, Respondent failed to report her suspension within the required 30 calendar days after being notified of the suspension, thereby providing grounds for discipline pursuant to Article 3(e). CFP Board 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 nine-month suspension of his CFP® certification, pursuant to Article 4.3 of the *Disciplinary Rules*. Respondent's suspension is effective for nine months from November 2014 to August 2015.

The Commission considered as mitigating factors that no clients complained about Respondent's conduct and she had no prior disciplinary history with CFP Board.

The Commission considered as aggravating factors that Respondent failed to notify CFP Board 30 days after the disciplinary action against her and that she had many compliance failures over a two-year period, which Respondent is still working to correct.

In arriving at its decision, the Commission consulted Anonymous Case Histories 22516 and 24148 and *Sanction Guidelines* 12 (Employer Policies Violation), 14(a) (Failure to Disclose to CFP Board), 18 (Failure to Supervise) and 20 (Misrepresentation to Clients and Prospective Clients).