

The following is the CFP Board's response to questions regarding the recorded conversation between CFP and J.P. Morgan Investment Manager Andrew Held and one of the bank's then-advisers Johnny Burris:

Q: What is the board's reaction to those who say that Held's recorded conversations casts doubt on the board's public claim that its CFPs are fiduciaries?

A: CFP Board respects the decision of the SEC to settle charges concerning the failure to disclose conflicts of interest. The SEC serves the public interest when it takes enforcement action against those who have violated the securities laws.

CFP Board's Standards of Professional Conduct also contain strong standards that require CFP professionals to disclose conflicts of interest. CFP professionals also are required to place the interests of their clients ahead of their own at all times, and when providing financial planning, CFP professionals owe to their clients the duty of a fiduciary.

Q. What is the board's response to those who say that wirehouses view their CFPs' fiduciary responsibilities as "irrelevant" to meeting sales goals?

A: CFP Board is a nonprofit organization that acts in the public interest by granting the CFP certification and upholding it as the recognized standard of excellence for competent and ethical personal financial planning. One of CFP Board's objectives is to establish and enforce standards of professional conduct, including the fiduciary obligation. CFP Board's standards were developed in consultation with CFP professionals, with notice and comment, and adopted by the board of directors. Since CFP Board adopted a fiduciary obligation in its standards, the number of CFP professionals has grown by more than 35%.

The result is that more than 75,000 CFP professionals have agreed to abide by CFP Board's standards, including the requirement to place the interests of the client above their own at all times, and to provide financial planning services under a fiduciary standard. In some circumstances, CFP Board's Standards are higher than what is required by law and regulation.

CFP Board's standards are highly relevant to firms. Most firms have expressed strong support for CFP certification and CFP Board's standards. CFP Board promotes conduct that complies with CFP Board's standards, and issues compliance tools. Firms have welcomed these resources. Anyone who believes that a CFP professional has violated CFP Board's standards may report the alleged misconduct by submitting a complaint form to CFP Board's Professional Standards Department.

Q: How does the board respond to well-known planner Ric Edelman's call to the board to stop telling the public that all of its CFPs are fiduciaries when many may not be?

A: CFP Board accurately informs the public that CFP professionals have completed extensive training and experience requirements and have agreed to provide financial planning services under a fiduciary standard. One of the distinguishing features of CFP certification is that CFP Board enforces its standards, including the fiduciary obligation. When CFP Board becomes aware of conduct that may constitute a violation of its standards, CFP Board takes action. CFP Board is committed to a disciplinary process that is fair to CFP professionals and credible to the public. CFP professionals who are found to have violated CFP Board's standards may be subject to public discipline.

Q: Will the board take disciplinary action in this case?

A: CFP Board does not publicly announce who is (or who is not) involved in a CFP Board disciplinary proceeding. CFP Board's disciplinary proceedings are confidential. The results of CFP Board's disciplinary proceedings become public only if the CFP professional receives public discipline.