

FPA tries to calm waters made turbulent by New York chapter 'dysfunction'

Concurrent concern brewing over pilot program being beta-tested through next year, possibly longer

By **Greg Iacurci** | April 5, 2018 - 3:01 pm EST

The Financial Planning Association moved this week to allay any worries stemming from the ongoing tumult in its New York chapter, but a level of unrest has emerged elsewhere in the country in light of a fledgling FPA initiative that could ultimately impact other chapters.

The FPA, a national membership organization for financial planners, [temporarily terminated its relationship](#) — technically called an "affiliation agreement" — with its New York chapter in late March following infighting among the group's leadership, *InvestmentNews* reported Monday.

Chapter president Devika Kamboh alleged in a recent complaint filed with the state attorney general's office that current and past board members had, since at least late 2017, perpetuated an unethical client solicitation scheme and retaliated against her as a whistleblower of these "nefarious" activities.

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Ms. Kamboh also claimed the national FPA organization tried to hide this breach of ethics, and failed to protect her "as a woman of color from a hostile FPANY Board." The FPA says these allegations are unsubstantiated.

Cynthia Jackson, head of FPA chapter engagement, notified chapter leaders and executives on Apr. 3 of the "unique situation" occurring in the New York chapter — among the organization's largest — which "required FPA to take immediate action," including facilitating a leadership change.

"While unfortunate, the issues occurring among the New York chapter Board of Directors had reached a level of dysfunction that would have negatively impacted the programs and services to members if FPA did not step in," Ms. Jackson wrote in her message, which was obtained by *InvestmentNews*.

"In the spirit of OneFPA, we want to use this unique situation in New York as a learning experience that will benefit FPA, and all our chapters, in the long term," Ms. Jackson said.

OneFPA is an initiative aimed at promoting greater collaboration and organization among FPA chapters.

An FPA spokesman declined any additional comment.

As FPA tries calming the waters in the Northeast, uneasiness persists further south among at least one chapter president in Florida, who views a pilot program being beta-tested in the state as a potential avenue for the national organization to take power away from the local chapters and centralize it at the state level.

"I don't think the local chapters as you know them now will exist," said Michael Ross, president of the FPA's South Florida chapter, which has roughly 230 members. (For comparison, New York has around 600.)

The initiative entails hiring an executive director, funded by the national organization, to streamline some responsibilities handled by local chapters. FPA leadership views the pilot, called the OneFPA Florida Initiative, as a way to drive efficiencies and reduce the local burden.

The beta-test began late last year, with the hiring [Joe Grimes](#) as executive director at FPA of Florida, and is slated to run through 2019. It could be a template for other states with multiple chapters, such as California and Texas. (Florida has [eight chapters](#).)

"We're testing whether having one staff person in a state that has multiple chapters can help leverage the resources and activities there," said Lauren Schadle, executive director of the Financial Planning Association. "The goal of this is to leverage the resources throughout the state to help with coordination, integration and alignment."

There was a majority decision among the Florida chapters to launch the initiative, she said.

REMOVE THE 'LOCALNESS'?

FPA is also hoping its program will boost membership numbers. Currently, an average 22% of those holding a Certified Financial Planner designation are members of the FPA; the penetration rate of CFP holders who are members in Florida chapters is around 17%, according to an FPA document outlining the Florida initiative and reviewed by *InvestmentNews*.

FPA hopes a "reasonable improvement in coordination" will generate an additional 350 or more members in Florida, the document said.

However, Mr. Ross, the president of Financial Connection Inc., believes the approach isn't necessary and will "take the localness right out" if an executive in Orlando "schedules everything."

"You'd lose any real local camaraderie, control, input, and networking," Mr. Ross said.

"It's really like we have no choice. A group of unelected board members in Denver will decide this," he added. "As things stand now the only choice we have is to not renew our membership."

Not everyone agrees with Mr. Ross, though.

Marisa Bradbury, president of the FPA of Central Florida, acknowledged some initial concern that the FPA was pushing out the local chapters, but said she ultimately supports the project if it helps boost membership.

"There will always be concern, because they're funding it," said Ms. Bradbury, an investment advisor at Sigma Investment Counselors. "I want to see our numbers go up, add new members and grow. If this can help us get there, then I'm all for it," she added, explaining FPA has tried working closely with the chapters to ensure success.

Michelle Ash, president of Northeast Florida chapter, also said she's favorable of the pilot program, which could "help ease some of the administrative burdens shared by local chapters."

"At end of the day, local chapters are what's going to keep the members happy," said Ms. Bradbury. "They join for that local connection."

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