NAPFA Legal Entity Registration Lapse

Issue File No. 2 | Version 2.1 | Updated November 2, 2026
Categories: Legal, Management, Governance and Member Communication
Individual members and staff are identified by initials for privacy.

What happened?

The National Association of Personal Financial Advisors (NAPFA) failed to keep required business registrations up to date in two states. According to a letter from member counsel dated April 14, 2026, Illinois revoked NAPFA's authority to operate as a foreign nonprofit corporation on July 12, 2024. Indiana administratively dissolved NAPFA on July 5, 2025 after a required business report was not filed. These were two different state actions. [A, pp. 1-2]

Members raised the problem privately and later discussed it on NAPFA's Engage Open Forum. NAPFA leadership acknowledged the lapse in September 2026 and later reported that the registrations had been restored. [B, pp. 2, 8-9]

What is the latest update?

In a September 23, 2026 Engage reply, NAPFA representative S.B. apologized for the delay in responding. S.B. said Indiana had approved a Certificate of Clearance, but a further filing with the Secretary of State was still needed. S.B. also said NAPFA was reviewing its filing process and adding oversight. [B, p. 8]

In a later Engage reply, S.B. said:

> **“NAPFA is now current and active in both Indiana and Illinois.”**

S.B. also said NAPFA had engaged a third-party registered agent to help manage required filings and keep registrations active. Member J.M. thanked S.B. for the update. The later posts are labeled “10 days ago” and “9 days ago” in the attached export. The export does not show the date it was saved, so the exact posting dates cannot be confirmed from this copy. [B, pp. 9-10]

Current finding: NAPFA leadership has reported that both registrations are now active. The supplied files do not include current certificates or dated state search results independently confirming the two statuses. The reinstatement announcement is encouraging, but questions about the original lapse and the quality of oversight remain important.

Timeline of key events

Date	What the available record says
July 12, 2024	Illinois revoked NAPFA’s foreign nonprofit authority, according to member counsel. [A]
July 5, 2025	Indiana administratively dissolved NAPFA after a missed business report, according to member counsel. [A]
April 14, 2026	Member counsel wrote to NAPFA leadership and requested records and correction. [A]
May 28, 2026	J.M. reported both states still showed lapses in public searches. [A]
July 8, 2026	Member counsel reported Indiana still appeared dissolved. [A]

Date	What the available record says
Sept. 10, 2026	J.M. opened an Engage discussion and requested an explanation and correction. [B]
Sept. 11–22, 2026	Other members raised concerns. J.M. said on Sept. 21 that the status remained unchanged. [B]
Sept. 23, 2026	S.B. acknowledged the lapse and described Indiana reinstatement work. [B]
Later date not shown	S.B. reported that NAPFA was current and active in both states and had hired a registered agent. [B]
Following day, date not shown	J.M. thanked S.B. for the update. [B]

What members said on the Engage Open Forum

On September 10, member J.M. explained that members had already raised this issue privately. J.M. asked NAPFA to fix the filings, explain why the problem remained unresolved, and describe changes that would prevent another lapse. [B, pp. 1-2]

Member G.W. said the problem concerned them as a new member. Member D.J. described the filing as a basic administrative duty. On September 21, G.W. said the issue and the lack of a reply had influenced their decision about renewing membership. These comments show how an administrative problem can weaken member confidence. [B, pp. 3-6]

On September 23, S.B. acknowledged the problem, apologized, and described next steps. In the later update, S.B. reported that both registrations were active. These responses are part of a fair account of the issue. [B, pp. 8-9]

Why does this matter?

A nonprofit organization must meet routine legal and reporting requirements. Officers and board members are expected to oversee important organizational risks and make sure problems are corrected. A missed filing does not, by itself, prove that a particular director violated a legal duty. It does raise reasonable questions about systems used to track deadlines, respond to government notices, and report problems to the board.

The board’s duty of care includes making informed decisions and overseeing the organization with reasonable attention. The duty of loyalty concerns placing the organization’s interests ahead of personal interests. The supplied records raise oversight questions; they do not establish self-dealing or wrongdoing by an individual board member.

Questions that still need answers

1. Who was responsible for filing the required Indiana and Illinois reports? Was a backup person assigned?

2. What notices did NAPFA receive, where were they sent, and when did staff and board leaders first learn about the lapses?

3. Why did the problem remain unresolved after members raised it in April 2026 and again in September?

4. On what dates did Indiana and Illinois formally restore NAPFA’s registrations? Will NAPFA share official proof?

5. What costs, late fees, legal fees, or other consequences resulted from the lapses?

6. How will the new registered agent work with NAPFA staff? Who will check that each filing has actually been accepted?

7. How often will the board receive reports showing that every required state filing is current?

8. Has leadership reviewed why the process failed and shared lessons learned with members?

Records that would help close the file

The most useful next records would be (1) current official entity-status records or reinstatement certificates from both states, including the effective dates; (2) filing and payment records; (3) the relevant state notices and forwarding records; (4) a written filing calendar identifying staff and registered-agent responsibilities; and (5) a summary of any board review and the new oversight procedures. Requests for board materials should be limited to appropriate nonprivileged records.

What should NAPFA do next?

NAPFA has reported fixing the immediate problem and taking steps to prevent it from happening again. Those are constructive actions. To rebuild member confidence, NAPFA could publish links to the official state records, explain the root cause in plain language, and describe how its new controls will be checked over time. The goal should be reliable compliance, clear communication, and stronger board oversight rather than blame unsupported by the record.

Evidence and limits

Source A: NAPFA Legal Entity Registration Lapse, Issue File No. 2, version 1.3, prepared October 4, 2026, 6 pages. It summarizes earlier member-counsel letters, email records, and state-registry information. It is a secondary compilation of those materials.

Source B: NAPFA’s Entity Status - Admin Dissolved, NAPFA Engage Open Forum export, 11 pages. Includes dated posts September 10-23, 2026, and later posts whose absolute dates are not shown. Initials in this file replace identifying names appearing in the original sources.

The Engage statements show what NAPFA and its members said. They do not replace official state records. This file does not conclude that NAPFA lost federal tax-exempt status, that its contracts became invalid, or that a particular person broke the law. Illinois revocation and Indiana administrative dissolution were different legal events.

Official verification: Indiana business search: https://bsd.sos.in.gov/publicbusinesssearch ; Illinois business search: https://apps.ilsos.gov/businessentitysearch/ . Status can change, so readers should check the official sites for the latest records.

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