

ERROLD F. MOODY JR.

PhD, MSFP, LLB, MBA, BSCE
13461 Aurora Dr. #E
San Leandro, CA 94577
Phone & Fax 510 352-4127
Marina Office 510 357-1554
Cell Phone 510 459-7797

Life and Disability Insurance Analyst 0626414
Author, *No Nonsense Finance*, McGraw Hill
Master of Science in Financial Planning
Registered Investment Adviser
WWW.EF Moody.com
EFM@EF Moody.com

Helen,

Since I will undoubtedly be the only person who has taught all the securities licenses, CFP courses, continuing education for CPAs, attorneys, insurance, securities and real estate agents; has one of the most extensive backgrounds in financial planning in the U.S.; and acts as an expert witness on involved financial issues, I believe I can comment directly about the proliferation of financial and retirement designations.

Just plain horrid. Nobody should pay any attention to the lot of them save for, effectively, the CFP, ChFC and CFA. (I will exclude the CFA at this point since it delves only with the investment side, not planning, and is almost only seen at the institutional level).

As regards the CFP, ChFC- they are still just designations. The CFP, the most highly marketed designation in America, is just one semester in money. There is absolutely no way that a rational person would use this as a mainstay for investing, insurance, retirement, or just plain planning. I have two cases against long time CFPs right now and their lack of knowledge and expertise is appalling. That they may have years of experience is no guarantee of *anything*. The industry products, tax laws et al are changing all the time. More so with economics. There is just no way that a entity with effectively no other financial background (most CFPs have college degrees- but they can be in ANYTHING) can grasp the nuances of this ever changing arena. (What good is a CFP with a Bachelor of Arts in French???) I am appalled at the lack of homework the journalists have done in reviewing the "coursework". I still buy current CFP manuals to see what is going on and how material is being tested. The material is far outdated and some of it is jut plain wrong (DCA for example, risk absolutely, nil substance on insurance- the most difficult area of planning, etc)

One can also present a similar case against the degreed entities in planning. True- but there is a lot more education and intensity in all areas. In 2007, there are those with degrees in planning throughout the U.S. and any person capable of reading the written word should focus on the top of the profession- not simply on a one semester effort. And never on the useless designations.

I have always offered this homily- "Your daughter has a brain tumor. You can bring her to a witch doctor, veterinarian, emergency room physician, proctologist or neurologist. It's a simple question backed by this reflection- how important is your daughter? Some pundits will say the emergency room physician is "adequate", but I submit that this is a rationalization to stupidity. In that context,

however, I admit that the patient may not die initially- maybe even having a good life for "x" years. But no amount of concession can alter the probabilities that a more experienced and better trained individual could vastly improve the odds of success for any procedure. The neurologist is not a panacea for success- but it beats the alternatives simply because of the added knowledge and experience.”

The simple suggestion to your readers is just avoid the designations altogether. Easier said than done, admittedly, because there are not enough people who do valid *Reading*. Invariably they are led by the sense of 'trust". Therein is the problem. Every single case, every single complaint, every single dispute that comes across my desk or from Emails starts off with the same commentary "but I thought I could trust him". And no other homework at all. That someone calls the SEC or whatever is useless since brokers have never been taught the fundamentals in investing. That they call the CFP Board of Standards, Nope for the same reasoning. The CFP has clearly stated that it will not enforce an ethical violation unless preceded by a legal one. Nothing they really offer will be of much use since by the time they indicate a designation has been revoked, the guy is already in jail.

**As to the old saying about Drugs is the same for Designations.
JUST SAY NO.**

If they find that too harsh. Well, just wait. They can lose money and then up calling me later to work on the complaint about losing their money to incompetency. However they will have to accept a portion of the blame, young, old, whatever.

God gave people a brain. America gave them an education. Use both.