

Evaluating professional designations utilized by financial advisors

by David A. Weintraub

So, a local financial advisor hands you a business card listing one or more of the following professional designations: CFP, CFPN, CPFA, CMA, CFMP, CDP and/or CEA. Should you be impressed? What do the letters stand for? Who are the issuing organizations? Do the issuing organizations exist? Were there prerequisites for obtaining the designations? Were examinations required? What types of examinations? Was a college degree required? Are there continuing education requirements? Are the continuing education requirements meaningful? Can you verify the authenticity of the designation? Does the issuing organization address customer complaints? Does the issuing organization publish a list of disciplined designees?

Confused? You should be. According to records maintained by FINRA (Financial Industry Regulatory Authority), there are more than 150 known “professional designations” either in use today by financial advisors or that have previously been used by financial advisors. Some of these designations look, sound and feel remarkably similar to each other. As an example, what is the difference between a CFP and a CFPN? Are they issued by the same organization? Are they connected with each other in any way? They are not.

CFP is a designation known as “Certified Financial Planner.” It is issued by the Certified Financial Planner Board of Standards, Inc. CFPN is known as “Christian Financial Professionals Network Certified Member.” Though the abbreviations are similar, that is where the similarities end. The prerequisites for earning the Certified Financial Planner designation are indeed rigorous. The prerequisites for the CFPN designation are less clear. According to FINRA, one is eligible for the CFPN certification with 10 years of full-time financial experience, signing a “Statement of Faith,” taking three training sessions and passing a closed-book exam. Links on the FINRA website to the Christian Financial Professional Network take you to *cfpn.org*. It is unclear whether this organization still exists, notwithstanding the fact that FINRA’s website states that the designation is currently offered. Web searches lead to an entity called Kingdom Advisors, which offers what it calls a Certified Kingdom Advisor designation. According to its website, its designation “allows you to work with someone who has committed and been trained to be a person of character who, from a biblical worldview, serves you with biblical financial advice so that you can confidently navigate financial decisions as a faithful steward.”

It is up to each lawyer to diligently determine the value, if any, to place on certain designations. Both the American National Standards Institute and the National Commission for Certifying Agencies accredit certain designations. The following link lists the accredited designations: *finra.org/investors/accredited-designations*. FINRA also maintains a list of designations about which it is aware: *finra.org/investors/professional-designations*.

It behooves any attorney who is referring clients to financial advisors to investigate their backgrounds. One piece of this investigation is verifying any claimed designation and assessing its value. The CFP board’s website contains a section dedicated to verifying whether one’s CFP designation is in good standing. It takes about five minutes to confirm this particular designation. Time well spent.



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