

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

MC-07-301

In re:  
Credit Counseling in the Southern  
District of Texas

§  
§  
§

Misc. Case No. \_\_\_\_\_

ORDER FOR STATUS CONFERENCE

On January 26, 2007, the undersigned judge attended the monthly meeting of the Houston Association of Debtors Attorneys. At that meeting, the speaker was the chief executive officer of Money Management International. In response to a question from the audience, the speaker told the assembled group that Money Management International had an employment policy that barred the employment of any credit counselor who had previously been in bankruptcy.

Pursuant to 11 U.S.C. § 111(b), credit counseling agencies may only be approved to provide credit counseling services if the United States trustee has thoroughly reviewed the qualifications of the agency under the standards set forth in § 111. Among the mandatory standards is the requirement that the agency will “deal responsibly and effectively with other matters related to the quality ... of the services that it provides.” 11 U.S.C. § 111(c)(1). The agency must also provide counselors “who have adequate experience.” 11 U.S.C. § 111(c)(2)(F).

Section 525 of the Bankruptcy Code mandates that “no private employer may ... discriminate with respect to employment against an individual who is or has been a debtor under this title ... solely because such debtor or bankrupt” has been a debtor. Other restrictions are also contained within § 525.

The announced employment practices of Money Management International appear to be contrary to § 525 of the Bankruptcy Code.

In conducting its initial investigation into whether to approve Money Management International, the United States trustee would not necessarily have inquired into Money Management International’s employment policies as regulated by § 525 of the Bankruptcy Code. Nevertheless, with such policies having been brought to the attention of the Court, the Court requires that the United States trustee determine whether Money Management International should remain on its approved list of counseling agencies. If Money Management International has intentionally established practices in its retention of counselors that violate federal bankruptcy law, it is difficult to believe that they are dealing “responsibly and effectively” with respect to the quality of their services.

On March 1, 2007, at 2:30 p.m., the Court will conduct a status conference at which the United States trustee will advise the Court as to the current status of Money Management International.

The clerk shall serve a copy of this order on the United States trustee, Pamela Stewart (the President of the Houston Association of Debtors Attorneys) and on Sharon Beausoleil-Mayer (the chair of the bankruptcy section of the Houston Bar Association). The United States trustee shall serve a copy on Money Management International and the standing chapter 13 trustees in this district.

Signed at Houston, Texas, on February 15, 2007.

A handwritten signature in black ink, appearing to read 'M Isgur', written over a horizontal line.

**MARVIN ISGUR**  
United States Bankruptcy Judge