

## **U.S. Presidents That Have Filed Bankruptcy**

**By Arizona Bankruptcy Attorney John Skiba**

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As it is President's Day I thought it might be a little interesting to research what U.S. Presidents have filed for bankruptcy. My research shows that there were at least four: Thomas Jefferson (several times in fact!), Ulysses S. Grant, William McKinley, and even honest Abe Lincoln. A consistent theme behind each of their bankruptcies was a failed business venture. It seems that time hasn't changed that aspect of bankruptcy. Many of the clients I work with have been involved in running their own business that hasn't taken off like they had hoped. It takes a lot of money to run a business, and when things go bad the owners are usually on the hook through numerous personal guarantees.

As a side note to this, personal guarantees in Arizona must be signed by both spouses. Arizona is a community property state and generally the signature of one spouse will bind the "marital community." However, Arizona law provides a few exceptions to this rule, one of them being personal guarantees. *See* A.R.S. § 25-214(C)(2). What this means is that if only one spouse signed the personal guarantee, then only that spouse is liable and only his/her separate property can be sought for payment of the debt. Most married couples do not have separate property, thus in such a situation there would really be no remedy for the creditor.

When clients come to my office they are often feeling down and frustrated by their financial situation. While I know it doesn't help a lot, I always let people know that they are not alone. A lot of people, especially in Arizona, are going through their exact same situation. Over the last three years there has been approximately 40,000 individuals/families file for bankruptcy EACH year. On top of that there are numerous people who are going through foreclosures and job loss and likely should be looking into bankruptcy.

Even Presidents file bankruptcy. No one wants to, but they, along with countless others, have gone through the process and recovered to go on to do great things. President McKinley won the presidency three years after filing bankruptcy. You too can recover and move on to better things.

Arizona bankruptcy attorney John Skiba offers a free bankruptcy consultation. He can be reached at (480) 464-1111.