**Title:** The Importance of Investigating Your Investment Professionals: Part II

**Subtitle:** In yesterday’s post, we discussed the important questions to ask anyone who wants to manage your money and assets. However, your investigation should not end there.

**Meta Description:** It's important to conduct your own research and to verify the information provided by the adviser or other investment professional.

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**Author:** Dan Brecher

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It’s also important to conduct your own research and to verify the information provided by the adviser or other investment professional. There are a number of sources to check with, depending on what registrations the adviser has. Regardless of where they are registered, some disciplinary actions against advisers should be taken into consideration more seriously than others. A big sign of potential trouble: the adviser or adviser's firm has been suspended, fined, or made a substantial monetary settlement. Other situations should be taken in context: two client complaints may not be worrisome for an advisor who has been working for 20 years, depending on the context. For one working for five years, complaints could signal ethical issues.

Brokers (also known as Registered Representatives or financial advisers): It's become easier to check up on brokers. The regulatory body known as FINRA maintains a database called BrokerCheck (www.brokercheck.finra.org) you can use to see if complaints or regulatory proceedings have been brought and action taken against a broker. It's not so user friendly, however: you either need the broker's CRD number (an identifying number he may not be inclined to give) or his full legal name to get results. Every current broker is listed, and the reports indicate if there has been disciplinary action with a link to more information. But the reports often are sparse on detail. FINRA is making strides to have the reports be more investor-friendly. In July, the agency expanded its database to keep information about brokers who have deregistered for up to 10 years, from two, and to keep serious actions, such as criminal convictions and certain civil judgments permanently in the database. FINRA will now also indicate what information a broker is disputing but leave it posted, rather than removing it immediately upon dispute, as it had been doing.

Investment advisors who aren't with a brokerage firm likely don't appear in BrokerCheck. Typically, however, they do have to register with the SEC if they or their firms manage more than $25 million in assets. The SEC database (www.AdviserInfo.sec.gov) is searchable by firm or last name and will create a detailed report on the person, including what qualifications he has, his employment history, and if he has any disciplinary history. If a person or firm manages less than $25 million, normally they still have to register with their state. The North American Securities Administrators Association maintains a list of contacts for all 50 states, the Canadian Provinces and Mexico at www.nasaa.org/about-us/contact-us/contact-your-regulator/ Certified Financial Planners: The CFP Board of Standards has a searchable database for planners searchable with as little as their zip code or last name and state. Results indicate if the person has faced disciplinary actions with the ability to click through to read about it in more detail. The website is www.cfp.net/search.

The association of CPAs lists disciplinary actions at www.AICPA.org (in the "For the Public" section.) It's not very user friendly: names aren't searchable, so you'll have to page through the monthly reports. And if the CPA is more than year from being suspended or admonished, the AICPA removes the notice. Due diligence can go a long way in preventing investment fraud. Therefore, investors should be sure to do their homework before turning over their money to any adviser or investment professional, no matter how convincing their sales pitch may be.

**Raw Content:** <!-- wp:heading -->
<h2>In yesterday’s post, we discussed the important questions to ask anyone who wants to manage your money and assets. However, your investigation should not end there.</h2>
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<h3><strong>There are specific resources you can result when you want more information about the following investment professionals</strong></h3>
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