

# Investing Wisdom

## Research Your Broker As You Would A Stock

(NAPSA)—Investing some time and effort in researching your stockbroker—just as you would if he or she were a security—can pay dividends.

That's the word from experts who say before working with a broker or other financial professional, make sure that person is licensed to sell you an investment.

One way to do this is by using a free online tool from the Financial Industry Regulatory Authority (FINRA) called BrokerCheck.

### Firms and Individuals

To use the online tool, go to [www.finra.org/brokercheck](http://www.finra.org/brokercheck). You can look up a specific firm or investment professional. You can also search by zip code.

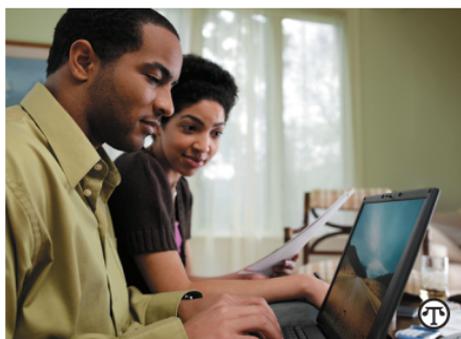
When researching individuals, the tool can be used to find:

- employment history;
- approved licenses, registrations, and qualification exams passed;
- certain misdemeanor charges and convictions; and
- disciplinary actions and sanctions imposed by FINRA, the SEC or other regulators.

When researching a firm, the tool can be used to find:

- its address, legal status and types of business it engages in;
- a 10-year history of all felony charges and convictions, and certain misdemeanor charges and convictions;
- disciplinary actions and proceedings initiated by regulators; and
- bankruptcy proceedings and arbitration award information.

Even if an individual or firm does not have a history of reported problems, the tool can help detect



**Experts say before working with a broker or other financial professional, investors should make sure that person is licensed to sell investments.**

potential red flags. For example, you can see if an individual broker has switched firms frequently over a short period of time, or if the firm has changed its name often.

### The First Step

“The first step any investor should take before he or she does business is to use BrokerCheck to do a background search,” said Gerri Walsh, president of FINRA Investor Education Foundation. “Make sure the investment professional is licensed either with FINRA as a registered representative or with the SEC or a state regulator as a registered investment adviser.”

It's also a good idea to check with your state securities regulator, local consumer groups or others who have business relationships with a particular financial professional.

FINRA is the largest independent regulator for all securities firms doing business in the United States.

For more resources, visit [www.finra.org/investors](http://www.finra.org/investors).