

Financial professionals

What financial services do they offer?
How do they charge?

Broker-dealers

Registered investment advisers

Financial planners

What they do

Buy and sell securities – stocks, bonds, mutual funds, and certain other investments. *Broker-dealer refers to a firm.*

An individual is a broker or registered representative.

Common names for the **individual**:

- Stock broker
- Financial or investment consultant
- Registered representative
- Salesperson

Advise on securities and other investments; provide ongoing management. *Registered investment adviser refers to a firm.*

Common names for the **individual**:

- Asset managers
- Investment counselors or managers
- Portfolio managers
- Wealth managers
- Investment adviser representative

Design an overall plan for you to save, invest, and manage money. Can include retirement planning, tax planning, estate planning, and saving for education.

How they are paid

Commissions. You pay each time the broker buys or sells on your behalf. Example: broker will receive 5 percent of sale price.

Flat fee (such as \$2,000 a year) for a financial plan or fee based on a percentage of assets they manage for you. They must tell you how they are paid.

Depends if they are licensed as a broker-dealer or registered as an investment adviser. May charge combination of fee and commission.

Obligation to you

Recommendations must be suitable at all times and be based on such factors as your risk tolerance, income, age, and investment goals.

Must put your interests ahead of their own. You may grant authority to make decisions about investments without prior approval.

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Warning

Because of commission structure, brokers may have incentives to sell financial products that appear suitable, but are not the best for you.

Ensure that you are comfortable with your investment adviser and understand your risk tolerance.

Financial planners are not regulated, but a financial planner who is also a registered investment adviser is regulated by state or federal agencies.

How to check out a financial professional

The Financial Industry Regulator Authority (FINRA) a self-regulator, licenses broker-dealer firms and individual salespersons. Visit www.finra.org and click on BrokerCheck or call 800-289-9999 (toll-free).

Find information about investment adviser firms and individuals, including those who provide advice and services in Oregon, on BrokerCheck at www.finra.org.

For questions about Oregon-licensed firms and individuals, call the Division of Finance and Corporate Securities at 866-814-9710 (toll-free in Oregon).

The Certified Financial Planner Board of Standards, Inc. grants certifications. Go to www.cfp.net.

Turn over for
Red Flags



Ask questions

It's your money and you have the right to ask questions about your financial professional and your investments. Good financial professionals will welcome your questions about their background and experience, and provide you with as much information as you need to help you make decisions. Some questions to ask include:

- How long has your firm been in business?
- What training and experience do you have?
- Have you personally been involved in any arbitration cases or disciplinary action?
- Is this investment product registered with the U.S. Securities and Exchange Commission or the Oregon Division of Finance and Corporate Securities?
- How easy would it be to sell the investment if I need my money right away?
- What are the total fees to purchase, maintain, and sell this investment?

Red flags

Be concerned if a financial professional:

- Ignores your financial objectives.
- Can't explain how a product will make money.
- Suggests that you take out a mortgage, reverse mortgage, or other loan to invest.
- Recommends that you cash out current holdings (life insurance, for example) to fund other investments.
- Pressures you to invest immediately, or tells you to keep the investment a secret.
- Does not provide any documents, such as a prospectus, or does not require signatures on agreements.

The Oregon Division of Finance and Corporate Securities regulates a number of financial services and products, such as investments, loans (payday and title), mortgages, pawns, check cashing, money transmission, debt management and preneed funeral trusts, and state-chartered banks and credit unions.

Contact us for questions, or to file a complaint.

866-814-9710
(toll-free in Oregon)

www.dfcs.oregon.gov



Oregon Division of Finance
and Corporate Securities