

## How To Check Out Your Stockbroker, Investment Advisor, or Brokerage Firm

Where or to whom do you turn if you want to check up on your stockbroker or investment advisor? If you are about to invest some of your money with an individual or securities firm, it is worth your while to do a background check. It may save you both money and future aggravation.

Louisiana's securities regulator is the Office of Financial Institutions, or OFI. Upon written request, OFI will issue a *CRD Report* **at no charge** on any investment professional who is registered with OFI to sell securities in Louisiana. This includes out-of-state solicitations.

### Central Registration Depository System

The Central Registration Depository system ("CRD") is a source that you can turn to for this kind of information. The CRD is a computerized database that holds registration information on over 600,000 stockbrokers (also called registered representatives) and over 6,000 brokerage firms throughout the country. Every state securities regulator can access the CRD database.

In most cases, a stockbroker or any other person who wants to sell securities (for example, stocks, bonds, mutual funds, etc.) must be registered with OFI to do so.

**NOTE:** Annuities sold in Louisiana are considered insurance products and are regulated by the Louisiana Department of Insurance – not OFI.

The *CRD Report* includes information on:

- Employment history for the past 10 years
- Securities examination scores

- Licensing or registration status
- Disciplinary history

In addition to employment and examination history, the *CRD Report* will contain the following types of disciplinary history, if applicable:

- Final disciplinary actions (relating to securities or commodities businesses) that have been taken by federal, state, and foreign securities regulators as well as self-regulatory organizations such as the National Association of Securities Dealers Regulation.
- Civil judgments and arbitration decisions in securities and commodities disputes involving public customers.
- Criminal convictions or indictments against registered or licensed brokerage firms and their associated persons.
- Settlements of \$10,000 or more among the parties to arbitrations, civil suits, and customer complaints involving securities or commodities transactions.
- Employment terminations after allegations were made involving violations of investment-related statutes or rules, fraud, theft, or failure to supervise investment-related activities.
- Bankruptcies filed within the last 10 years and outstanding liens and judgments.
- Pending disciplinary actions taken by industry regulators that relate to securities or commodities business.
- Pending arbitrations and civil proceedings involving securities or commodities transactions.

