

Things To Know

Louisiana Office of Financial Institutions (OFI), Securities Division

Toll-free at 1-877-516-3653

Please visit www.ofi.la.gov/SecuritiesInvestorEd.htm



The Seller of the security and the Security itself are two different things. The Seller and the Security are each required by Louisiana Law to be *registered* in Louisiana, unless *either* qualifies for an *Exemption* from registration. This includes any *out-of-state* solicitations in Louisiana for investments. Claims of *Exemptions* from registration should be verified with OFI at (225) 925-4512 *before* investing.

What's a "security" in Louisiana?

An investment of money in a common enterprise with an expectation of profits derived from the efforts of others.

- ✓ Stocks and Stock Options
- ✓ Bonds
- ✓ Mutual Funds
- ✓ Warrants
- ✓ Convertible certificates
- ✓ Debentures
- ✓ Promissory Notes
- ✓ Real Estate Investment Trusts (REITS)
- ✓ Oil & gas ventures
- ✓ Investment contracts

Investments that are NOT securities in Louisiana

- Interest-bearing savings accounts
- Some real estate investments
- Gold, diamonds, precious gems, etc.
- Art
- Collectibles
- Mining ventures
- Limited partnerships & limited liability companies
- Annuities
- Viatical Life Settlements

Suitability – Aligning the risk, liquidity and profit of a security with the investor's *Risk Profile* (such as age, risk tolerance, access to the money, investment goals, income and tax status).

Churning – Unnecessary buying and selling to earn more commissions, often done at the end of the month. Monitor your statements!

Difference Between Using A Stockbroker OR An Investment Adviser in Louisiana

Stockbroker

Sells stocks, bonds & other investment products

Paid by commission

Sells using "Suitability" standard – can sell *any* product that is "suitable" for the investor's Risk Profile

Must register with the SEC and OFI

Investment Adviser

Sells advice about investments, financial planning, investment strategy

Paid by set fees

Sells using "Fiduciary" standard – only sells the *best* product that matches the investor's Risk Profile

Where they must register

- If \$100M or more Assets Under Mgt. (AUM), must register with the SEC and Notice-file with OFI
- If less than \$100M Assets Under Mgt. (AUM), ONLY needs to register with OFI