

Questions to Ask:

1. What experience do you have?
2. What is your registration / license number?
3. Have you ever been disciplined by a securities regulator?
4. What products and services do you offer?
5. What are your commissions or fees?
6. How will you be paid?
7. What is your approach to investing?
8. Who are your references?
9. Do you understand my goals and risk tolerance?
10. How much input will I have in the investment decisions?



July 2011

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ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION

Protect Your Money from Dishonest Financial Professionals



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Because investing in securities involves an element of risk and can be quite complex, selecting the right person to give you advice or manage your money is essential in achieving your investment goals.

Before you can select someone, you need to develop your investment objectives. Are you primarily interested in long-term growth, a steady income stream, tax savings, quick profits, or some combination of these? The next step is to evaluate how much money you are willing to lose.

Your personal financial situation is your best guide to choosing your investment objective. If you have good income, or if you are relatively young and willing to take on more investment risks for larger gains down the road, "growth" through appreciation of capital might be your choice. Conversely, if you are living on a fixed or retirement income, your main goal might be regular payments to cover living expenses.

Before You Choose a Professional

- ◆ Ask for recommendations from people you trust or inquire with professional associations to generate a "candidate" list.
- ◆ Call the Commission's Securities Division to verify the candidate's registration/licensure status and check on the disciplinary history of the individual or firm.
- ◆ Schedule an interview with each candidate and ask questions listed in this brochure.

Fraud Prevention Tips

- ◆ Fill out forms accurately and thoroughly. Do not submit signed documents to be later filled out by the financial professional.
- ◆ Require written documentation of all agreements and transactions; take notes on all telephone conversations.
- ◆ Know the terms of the agreement you have signed. If you do not understand the terms, do not sign on the dotted line.
- ◆ Never make checks payable to the financial professional.
- ◆ Avoid solicitations over the telephone or the Internet without thorough investigation.

Unscrupulous Activity

Although the majority of financial professionals are honest, some do make mistakes or worse yet, take advantage of your trust. Regardless, keep a record of phone conversations and maintain a correspondence file of your account's activity. Regularly examine your account statements for the following:

- ◆ Excessive account activity
- ◆ Unauthorized trading
- ◆ Unsuitable recommendations
- ◆ Failure to execute trades
- ◆ Failure to deliver securities

If a Problem Arises

- ◆ Call your financial professional immediately with questions. Delay only weakens your case later on.
- ◆ Contact the firm's manager. Consider mediation or arbitration if your complaint is not resolved satisfactorily.
- ◆ Contact the Securities Division at 602-542-4242 to file a complaint or visit www.azinvestor.gov, click on Investor Complaints— then submit documentation.