



Consumer Affairs Tabloid



Keeping you in the “KNOW”

287- CITY

Army Community Service Financial Readiness Branch

October 2009



Excerpt from the Financial Industry Regulatory Authority (FINRA)

Selecting Investment Professionals

www.finra.org/Investors/SmartInvesting/GettingStarted/SelectingInvestmentProfessional/P085682

When you need financial help, you can turn to an investment professional or team of professionals. These professionals may be brokers, investment advisers, certified public accountants, lawyers, insurance agents, or financial planners—and they may work in many different settings, from large firms to small private practices. In some cases, your bank may have a separate investment department that employs investment professionals.

Before you hire an investment professional, there are some steps you should take. First, you'll want to identify your financial needs so that you'll know what kind of help to get. Next, learn about the different types of investment professionals that are available and what they offer. Then, you'll search for possible candidates and check their work background and disciplinary history. Before coming to any decision, you'll ideally want to interview your candidates face-to-face and ask them about the fees they charge. Finally, make sure you read and understand any paperwork you are asked to fill out or sign.

Excerpt from the Texas State Security Board

20 Questions To Ask A Person Selling Investments www.texasinvestored.org/20questions.php

1. Are you registered with the Texas State Securities Board?
2. How did you get my name?
3. Where is your office?
4. Where are you calling from?
5. How long have you been in business?
6. How long has your company been in business?
7. Can you give me the names and telephone numbers of three other investors in my local community who made profits on this investment?
8. How long will the advertised rates of return last?
9. What specific service or product does this company make?
10. Is this investment guaranteed? (Most are not. Securities investments involve risk.)
11. Is this investment registered with the Texas State Securities Board?
12. Please send me copies of the company's financial statements and a list of customers I can call.
13. What are the risks that I will lose money?
14. Is this investment traded daily on a regulated exchange?
15. What are the commissions and fees that you and your company will make during the entire time of my investment?
16. What will it cost to get my money back out of the fund (stock/ bond or security)?
17. How much money have you invested personally in this deal?
18. Will you send me a prospectus or offering materials in the mail?
19. What is your home telephone number so I can call you later?
20. Will you please call my stockbroker (or banker, lawyer, or trusted financial adviser) with the same deal so I can ask them for another opinion?

On this site you can find additional investor information and education.



Excerpt from the U.S Securities and Exchange Commission



For Military Personnel and Their Families www.sec.gov/investor/military.shtml

The SEC's Office of Investor Education and Advocacy has teamed with the FINRA Investor Education Foundation and the Department of Defense on a multi-faceted financial education program serving members of the military and their families.

[SaveAndInvest.org](#) - your source for objective answers, unbiased investing resources, and straight-talking financial information and tools.

[California TAP\\$](#) - review materials and watch videos on financial scams and predatory lending.

[Asset Allocation, Diversification, and Rebalancing](#) - what you need to know about managing risk and not "putting all your eggs in one basket."

[Affinity Fraud](#) - how to avoid investment scams that target particular groups, such as military personnel.

[Investor and Consumer Alerts](#) - avoid scams targeting members of the military and their families. If you have questions about a securities related topic, check here www.sec.gov/answers.shtml.



From the files of Fort Hood Consumer Affairs Office

Caution: Don't pick your investment provider based on the fact that the company offered you a free lunch or dinner off the installation during which they presented an investment seminar. This could be a violation of the Texas Insurance Code if they are also selling insurance, especially if it is insurance with a side retirement fund. Please read May 09 Consumer Affairs Tabloid which contains links to the Texas Department of Insurance Military Sales Practices and an important message from the Texas Department of Insurance and the Department of Defense Regarding the Sale of Life Insurance to the Military.

www.hoodmwr.com/acs/Media/tabloid/Consumer_Affairs_Tabloid_May09.pdf

Ask yourself the following questions: is this person is really an independent advisor or do they work for a specific company? Are you allowed to take home all literature and policies unsigned so you can see what is really being offered?

One last reminder – Check out the company and/or the agent with the following agencies to find out what type of track record, number of complaints, and designation they may have.

1. The Financial Industry Regulatory Authority (FINRA)
www.finra.org/Investors/ToolsCalculators/BrokerCheck/index.htm
2. Texas State Securities Board's Registration Division at (512) 305-8300 for information about firms and their registered representatives. Disciplinary information also is available.
3. Financial Planning Association www.fpaforfinancialplanning.org
4. Association of Certified Financial Planners www.cfp.net
5. National Association of Personal Financial Advisors, 1-888-FEE-ONLY or www.napfa.org
6. Texas Department of Insurance **1-800-252-3439**

Back issues of the Consumer Affairs Tabloid are available on the Financial Readiness section of the ACS website at www.hoodmwr.com/acs.

Have questions? Email: melody.squires@us.army.mil or call 287-CITY (2489)