

Choosing Your Team of Financial Professionals

Choosing your team of financial professionals, and especially those who may advise you on investment decisions, takes some comparison shopping. Here's a six-step process that can help you find the financial professional that is best for you.

STEP 1. Get some names.

You can check the yellow pages of your phone book, but a better idea is to work from referrals. Ask your friends, work colleagues and family members for their recommendations. You also can contact professional organizations for names of professionals practicing in your area. To do this, call toll-free, or check their Web sites.

- **Financial Planning Association (FPA)**, 1-800-282-PLAN or 1-888-806-PLAN or www.fpanet.org
- **National Association of Personal Financial Advisors**, 1-888-FEE-ONLY or www.napfa.org
- **American Institute of Certified Public Accountants**, Personal Financial Planning Division, 1-800-862-4272 or www.cpapfs.org/
- **Society of Financial Service Professionals**, 1-800-392-6900 or www.financialpro.org

STEP 2. Make some calls.

Ask to have information sent to you in writing, including the names of a couple of satisfied clients. You can get a good feel for how a financial professional will work with you by the way that person treats you on the phone and through the mail. Pay special attention to the financial professionals' credentials.

STEP 3. Check out references.

Call to see if the person is licensed. For example, all stock brokers must register with Financial Industry Regulatory Authority (FINRA) and are listed in the Central Registration Depository (CRD). Call FINRA or your state securities regulator to see if the broker is registered, and ask if there are any disciplinary actions on file. Here are some numbers to call to check for disciplinary action taken against a financial professional:

- **Certified Financial Planner Board of Standards**, 1-888-CFP-MARK
- **North American Securities Administrators Association**, 202-737-0900
- **National Association of Insurance Commissioners**, 816-842-3600
- **Financial Industry Regulatory Authority (FINRA)**, 1-800-289-9999
- **U.S. Securities and Exchange Commission**, 1-800-732-0330

STEP 4. Set up a face-to-face meeting and ask some questions.

1. How long have you been a financial planner? What other related experience do you have?
2. What are your professional credentials and affiliations?
3. What is your investment philosophy? (You will feel most comfortable with a financial professional whose recommendations are driven by YOUR tolerance for risk and other preferences, not his or hers.)
4. How will we work together (e.g., by phone, electronically, in person) and how frequently?
5. What services do you offer?
6. What can I expect from you?
7. What will it cost and how are you paid?
8. Who will work with me (e.g., the person you are interviewing or a business associate)?
9. May I see a sample financial plan?
10. Are you registered with state or federal regulators?

STEP 5. Ask yourself, "Do I feel comfortable with this person?"

Working with a financial professional to make investment decisions requires a relationship of mutual trust and respect. You must feel the financial professional has your best interests in mind and will be responsive to your needs. You must feel completely confident that this person will treat your situation with strictest confidence and act in a professional manner at all times. You must feel that this professional relationship, putting the effects of market volatility aside, will leave you better off than before.

STEP 6. Make the decision.

Ask for a written agreement that details the services to be provided. Demand the best. Keep up your end of the relationship by providing prompt and accurate information about your current financial situation, your short- and long-term financial goals and your tolerance for investment risk. Advisers are required, by law, to make recommendations that are suitable for you, so they need to know a lot about you and your objectives.

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Originally developed by: Rutgers University Extension Service	
 <p>FINRA Investor Education FOUNDATION</p> <p>This material was made possible by a grant from the FINRA Investor Education Foundation</p>	<p>Visit our Web site www.lsuagcenter.com</p> <p>Louisiana State University Agricultural Center, William B. Richardson, Chancellor Louisiana Agricultural Experiment Station, David Boethel, Vice Chancellor and Director Louisiana Cooperative Extension Service. Paul D. Coreil, Vice Chancellor and Director Pub. Misc 50 11/09</p> <p>Issued in furtherance of Cooperative Extension work, Acts of Congress of May 8 & June 30, 1914, in cooperation with the United States Department of Agriculture. The Louisiana Cooperative Extension Services provides equal opportunities in programs and employment.</p>



Worksheet for Selecting a Broker

Prospective Broker's Name and Central Registration Depository (CRD) Number: _____

Firm name: _____

Address of the closest branch: _____

Type of firm (discount, full service, online, etc.): _____

Prospective broker's direct number: _____

Firm's toll-free number: _____

Ask the Broker:

Are you registered with FINRA? _____

Is your firm a FINRA member? _____

How long have you worked in the securities industry? _____

How long as a retail broker? _____

Are you/your firm licensed to do business in Louisiana? _____

What services will you provide?

How much will it cost? _____

How are you paid? Would you explain your commission? _____

What is your philosophy of investing? _____

What kinds of stocks/bonds/funds are you recommending?

Can you give me some examples of how you helped or advised other clients in situations similar to mine (e.g. young investor, single parent, etc.)?

How often can I expect to talk to you? _____

Would you provide me with a list of your customers who would serve as a reference and their phone numbers? If possible, I'd like to speak with people whose situation is similar to mine.

Ask Friends or References:

How long have you done business with this broker?

How much or how little guidance did the broker give you?

Did you ever have a problem with the account and if so, how well did the broker/ firm handle it?

Be sure to:

- Ask for a copy of the account agreement (to read in advance of opening the account).
- Get the firm's fee structure/commission schedule in writing.
- Call FINRA's Public Disclosure Number for disciplinary histories on prospective brokers.

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Reference: Women and Investing: It's Your Money, NASD, 1999	
 <p>This material was made possible by a grant from the FINRA Investor Education Foundation</p>	<p>Visit our Web site www.lsuagcenter.com Louisiana State University Agricultural Center, William B. Richardson, Chancellor Louisiana Agricultural Experiment Station, David Boethel, Vice Chancellor and Director Louisiana Cooperative Extension Service. Paul D. Coreil, Vice Chancellor and Director Pub. Misc 50 11/09 Issued in furtherance of Cooperative Extension work, Acts of Congress of May 8 & June 30, 1914, in cooperation with the United States Department of Agriculture. The Louisiana Cooperative Extension Services provides equal opportunities in programs and employment.</p>