STEPS TO PROTECT YOURSELF AFTER BUYING A PRODUCT

SIGNS OF PROBLEMS WITH INVESTMENTS

• **Ask Yourself…**
  
  - Is there too much trading in your brokerage account?
    - A broker may be trading excessively to gain commissions.
  
  - Are there sudden, large losses, or notices from the firm requiring you to add funds?
    - Your broker may be making unsuitable investments, or buying stock by borrowing money against your account.
  
  - Are there trades you didn’t give the broker instructions to make?
    - Your broker may be making trades not in your best interest, or covering up other problems.

• **Financial advisors should never…**
  - Try to convince you to sign additional agreements without explaining exactly why they’re needed.
  - Make payments to you out of their accounts or ask you to write checks directly to them.
  - Redirect statements from your residence to their address, or elsewhere.

TRACK YOUR INVESTMENT

• Are your statements from the firm legitimate?
  - They should arrive on time, be delivered from the firm’s headquarters or main office, and look like official statements.

• Are your checks and other payments to the firm deposited promptly?

• Does the firm deliver payments to you, in the full promised amount, on time?

• Are you able to contact your firm and broker when you have questions?

EARLY RESPONSES TO PROBLEMS

• **Contact your broker.** If the problem isn’t resolved, contact the branch manager or your broker’s supervisor, in writing.

• **Complain to the legal or compliance department** at the firm’s headquarters, if the branch manager or supervisor is unresponsive.

PURSUE OTHER OPTIONS

If the firm is unresponsive, you can:

• **Consult a lawyer** to evaluate the problems with your account, and bring a legal claim.

• **Contact** regulatory bodies such as FINRA, the NY Attorney General, or the Securities and Exchange Commission.

SO DON’T…

• **Wait!** Nip problems in the bud!
  - Waiting may mean missing certain legal deadlines for filing claims, or the firm’s deadlines for complaining about problems.

• **Send** the firm money or sign additional agreements or other documents for the firm until the problem is resolved.
RESOURCES FOR INVESTORS

http://www.human.cornell.edu/che/DEA/Outreach/ferm/index.cfm

Cornell Securities Law Clinic
http://www.lawschool.cornell.edu/academics/clinicalprogram/securities-law/
607-254-8270
securitieslawclinic@cornell.edu

Financial Industry Regulatory Authority
http://www.finra.org

- FINRA Investor Information
  http://www.finra.org/InvestorInformation/index.htm

- FINRA BrokerCheck
  http://www.finra.org/InvestorInformation/InvestorProtection/p005882

- FINRA Investor Complaint Center

NY Attorney General: Investors and Securities
http://www.oag.state.ny.us/investors/investors.html

North American Securities Administrators Association
http://www.nasaa.org/home/index.cfm

- NASAA Investor Education
  http://www.nasaa.org/investor_education/

Securities and Exchange Commission
http://www.sec.gov

- Researching Brokers and Investment Advisors
  http://www.sec.gov/investor/brokers.htm

- Investor Resources
  http://www.sec.gov/investor.shtml

- SEC Center for Complaints and Enforcement Tips
  http://www.sec.gov/complaint.shtml