

Financial Planners

Financial planners design an overall plan for their clients to save, invest, and manage their money. Their obligations and compensation will depend upon the services they offer.

Financial planners who offer specific investment advice must be licensed or registered as investment advisers.



Questions to Ask



Your Financial Professional

- ⇒ Are you licensed? If yes, as what?
- ⇒ What services do you offer?
- ⇒ How do you charge for these services?
- ⇒ What are your qualifications to offer these services?
- ⇒ Are you a fiduciary?
- ⇒ Do you or your firm have a disciplinary history?
- ⇒ What are your potential areas for conflicts of interest?

After meeting with a financial professional, ask yourself if your questions were answered clearly and completely. Did you feel comfortable talking with this person? If you did not leave the meeting feeling confident in this individual, then you should look for someone else. Any reputable financial professional should be pleased to answer your questions and will appreciate you taking an active role in your investments.



The Maine Office of Securities

Our Mission

The principal mission of the Office of Securities is to protect Maine investors by investigating and prosecuting violations of the securities laws; licensing the companies and individuals in Maine who sell securities and give investment advice; reviewing registration and exemption filings by issuers that seek to sell their securities in Maine; and providing investor education.

Our staff is a valuable resource and can answer your questions or direct you to other agencies or organizations that can help.

CONTACT US

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DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION

Office of
Securities

STATE OF MAINE

A Consumer Guide to

Selecting a Financial Professional

The Maine Office of Securities

**Investment Advisers
and
Investment Adviser Representatives**



**Broker-dealers
and
Broker-dealer Agents**

Investment Advisers (IAs) and their representatives provide ongoing management of a client's investments based on their objectives and financial situation. Generally, the term IA is used for the firm, while the licensed individual is called an investment adviser representative. Often, clients give their IA representatives discretionary authority which allows the IA representative to act on their behalf without prior approval from the client.

Investment advisers may also be known as:

- * Investment Counsel
- * Wealth Managers
- * Asset Managers
- * Portfolio Managers



What Type of Investment Services Do You Need?

Broker-dealers (BD) and broker-dealer agents are in the business of buying and selling securities. Generally, the term broker-dealer refers to a firm rather than an individual; an individual in a firm is known as a broker-dealer agent or registered representative. The products a broker can sell you depend on the licenses he or she holds.

Broker-dealer agents may also be known as:

- * Registered Representatives
- * Stockbrokers
- * Financial Consultants
- * Financial Advisers

Most IAs will charge clients a percentage of assets under management. The percentages charged vary from professional to professional.

How Do You Want to Pay for Your Investment Services?



Many agents receive a commission each time a client buys or sells an investment. The agent's compensation will be based on the number of transactions they make in a client's account.

Investment advisers are **fiduciaries**. This means that they must place their clients' interests above their own. This standard is in place because investment advisers provide ongoing advice and management of client assets.



What Legal Obligations Does Your Professional Have?

BD agents are generally not fiduciaries and, instead, are held to a suitability standard. This means that they must know your financial situation and recommend investments that are appropriate based on factors such as your risk tolerance, age, and investment goals.

Check Before You Invest!
Before establishing a relationship with a financial professional, contact the Office of Securities to ensure that the person or firm is registered or licensed in Maine.