

CHECKING OUT YOUR STOCKBROKER OR BROKERAGE FIRM



Department
of Commerce

Division of Securities

Where or to whom do you turn if you want to check up on your present or future stockbroker? If you are about to entrust some of your funds with an individual or securities firm, it is worth your while to do a background check. It may save you both money and future aggravation.

Central Registration Depository System

The Central Registration Depository System (CRD) is a source that you can turn to for this kind of information. The CRD is a computerized database that holds licensing information on over 600,000 stock-brokers (also called registered representatives) and over 6,000 brokerage firms throughout the country. Every state securities regulator can access the CRD database.

The CRD will tell you about your stockbroker's past, including:

- Employment history for the past 10 years
- Securities examinations score
- Licensing or registration status, and
- Disciplinary history.

Information Available

As an investor, you can request a public report of background information on any stockbroker or brokerage firm. This report can be obtained free from the Ohio Division of Securities. It will be helpful for you to have the full name of the broker or their CRD number. In addition to employment, Ohio's CRD report will contain information on the following types of disciplinary history, if any of these categories apply:

- Final disciplinary action relating to securities or commodities businesses that have been taken by federal, state, and foreign securities regulators as well as self-regulatory organizations such as the Financial Industry Regulatory Authority (FINRA);
- Civil judgments and arbitration decisions in securities and commodities disputes involving public customers;
- Criminal convictions or indictments against registered or licensed brokerage firms and their salespersons;
- Settlements among the parties to arbitrations, civil suits and customer's complaints involving securities or commodities transactions;
- Employment terminations after allegations were made involving violations of investment-related statutes or rules, fraud, theft or failure to supervise investment-related activities;
- Bankruptcies filed within the last 10 years and outstanding liens and judgments;
- Pending disciplinary actions taken by industry regulators that relate to securities or commodities business;
- Pending arbitrations and civil proceedings involving securities or commodities transactions;
- Pending written complaints alleging sales practice violations and compensatory damages of \$5,000 or more.

How to Request a CRD Report

In order to obtain a CRD report, simply call the Ohio Division of Securities toll free at 1-800-788-1194, or (614) 644-7381, or on our website at www.com.ohio.gov/secu. As a matter of practice, stockbrokers and brokerage firms are not advised of your request.

You can also contact FINRA at 800-289-9999 or visit the Internet web site at www.finra.org. However, FINRA does not report certain types of information that may be available through the Ohio Division of Securities. This information is easy to obtain and Ohio securities regulators want you to make informed decisions prior to investing your hard-earned dollars. The vast

majority of the stockbrokers and brokerage firms are honest and reputable. However, like many professionals, there are those individuals and firms who are not. One phone call may save you from sending your money to an unscrupulous broker or disreputable brokerage firm.

In addition, it is important to learn if the salesperson you are thinking of investing with is properly licensed by the Ohio Division of Securities to sell securities in Ohio.

**If you think you have been a victim Securities Fraud,
telephone or write to the
Ohio Department of Commerce, Division of Securities.
Call the Division at 1-800-788-1194
or visit our website at
www.com.ohio.gov/secu
for a complaint form.**