



## Four Tips to Avoid Potential Investment Fraud

In the most recent news from Wall Street, securities fraud has affected individual investors, pensions and charitable organizations. Here are four key safety tips that may help you prevent this from happening to you.

### 1. Know your advisor.

Advisors like me are registered with government organizations. You can research registrations and review any past complaints with the SEC ([www.sec.gov](http://www.sec.gov)), or with the respective state regulatory agency. If a firm is a Broker-Dealer, you can research it with the Financial Industry Regulatory Authority ([www.finra.org](http://www.finra.org)). You should also be aware of what you have authorized us to do. For example, if you have granted us discretion over your investments, you have given us permission to buy and sell investments to meet your stated objectives, without your approval for each individual trade. The authority you have granted us is stated in our Client Services Agreement.

### 2. Know your investments.

Consider stocks, bonds, ETFs, and mutual funds that are publicly traded and listed on major exchanges like the New York Stock Exchange. They are valued independently at least daily, if not minute by minute, when the exchange is open. You can check their reported returns against your own portfolio. If you can't look up the prices and performance of what you own in the newspaper or on the Internet—that's a red flag—ask more questions. If you choose to invest in complex securities like private placements, then you have additional homework to do.

### 3. Use an independent custodian.

By utilizing an independent custodian, there is objective, unbiased pricing of underlying securities. Investment performance can look better if the prices reported to clients are manipulated, showing winning performance year after year despite the ups and downs of the market. Our custodian, TD AMERITRADE, receives security prices through well-known third-party pricing vendors or directly from issuers. In many cases, prices are provided on a real-time basis for most securities. We have no input on asset pricing, or valuation. Clients get a statement directly from TD AMERITRADE.

### 4. Check on protection.

TD AMERITRADE Inc. is a member of the Securities Investor Protection Corporation (SIPC). The securities in your account are protected up to \$500,000, of which \$100,000 may be applied to cash. *For additional information, please visit [www.sipc.org](http://www.sipc.org) and see the enclosed Account Protection Sheet.* TD AMERITRADE, Inc. also provides additional coverage through London insurers of up to \$149.5 million per customer of which \$900,000 may be applied to cash (and an aggregate of \$250 million for all customers). *Please see the enclosed Evidence of Excess SIPC Coverage for additional details.* SIPC protection and Excess SIPC insurance protect against losses from brokerage failure, not market value decline.

## One final thought: If it sounds too good to be true, it probably is.

Beware of consistent annual returns that are out of line with established benchmarks.

Please call us if you have any questions or concerns. Thank you for your ongoing confidence in us—we're working hard to keep your best interests in mind.

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