

■ THINKING ABOUT INVESTING?

Tips for Using the Internet

The internet has provided widespread access to even the most specialized investment information, giving the small investor research and information they never before had access to. On-line trading provides instant access to accounts and near instantaneous executions of trades. In this fast-moving environment, users must exercise caution to know investment risks and guard against loss.

If you are thinking of using the internet for investment research, the National Association of Securities Dealers Regulation (FINRA) suggests these guidelines to safe surfing:*

1. Be your own watchdog. The internet is vast and regulator resources are limited.
2. Question all advice.
3. Always consult other resources in addition to the internet.
4. Do your own homework—don't take the word of an unknown source on the internet.
5. Use good judgment. If it seems too good to be true, it probably is.
6. Ask for professional help if something appears suspect. Notify regulators before you act.

If you are thinking of using the internet to conduct securities trades, the Securities Exchange Commission (SEC) offers these tips:*

1. Before you trade, know why you are buying or selling, and the risk of your investment.
2. Set your price limits on fast-moving stocks: use limit orders to protect from fast-moving stock prices.
3. Know your options for placing a trade if you are unable to access your account online.
4. If you place an order, don't assume it didn't go through (and place subsequent orders.) Talk to your firm if you are unsure.
5. If you cancel an order, make sure the cancellation worked before placing another trade.
6. If you trade on margin, your broker can sell your securities without giving you a margin call.
7. No regulations require a trade to be executed within a certain time. However, firms should not exaggerate or fail to tell investors about the possibility of delays.

**Adapted from FINRA and SEC official websites.*

Tips for Hiring a Financial Professional

Be sure to comparison shop for a financial professional just like you would for any other service. Financial professionals include:

- Financial Planners and Advisors (CFP, CFA, PFS)
- Insurance agents and brokers (CLU, ChFC)
- Tax preparers and Enrolled Agents
- Certified Public Accountants (CPA)
- Attorneys (Tax, Estate)
- Bankers
- Real Estate Agents and Brokers

Financial professionals get paid for their services in a variety of ways—commissions, fees, a combination of commission and fees.

The Securities Exchange Commission recommends the following questions to ask before hiring a financial professional:*

1. Are you licensed with the state or the SEC?
2. Do you have disciplinary problems on file with the NASD or states?
3. How are you compensated?
4. What is your relevant experience as a financial professional?
5. What kind of special education or training have you received?
6. How would you describe your investment philosophy?
7. Do you understand my financial goals and risk tolerance?
8. What other clients do you have whom I could speak to?
9. What kind of periodic reports on my money should I expect from you?
10. How much will it cost me in total to do business with you?"

Interview at least three financial professionals and choose the one that you feel most comfortable with, that you like, and that has satisfactorily answered the above questions.