

Assessing Your Needs

Before you seek the services of a professional stockbroker or investment adviser, take some time to evaluate your needs and expectations. This analysis will help you choose the right person for the job.

- **Define Your Goals**

Short- and long-term goals need to be identified. Determine the degree of risk you are willing to assume to achieve your financial goals.

- **Determine Your Net Worth**

Figure out your assets and liabilities -- what you own and what you owe. Be sure to take into account any growing debts, likely tax increases, or personal or health crises which may strain finances.

- **Anticipate Life Changes**

Consider any plans which might have an impact on your finances, such as making a career change, having children, paying school tuition or retiring.



Michael Watson
SECRETARY OF STATE

Securities Division

The Securities Division of the Secretary of State's Office is responsible for regulating the offer and sale of certain types of investments known as securities. These may include many types of stocks, bonds, limited partnerships, viatical settlement investment contracts, some oil and gas investments, and other investment contracts.

Our major activities include registration of securities offerings, the licensing of stockbrokers and investment advisers, and the investigation of alleged violations of the securities laws.

Please call us with any questions at 601-359-1334. Mississippi residents may also reach us by calling toll-free at 888-236-6167.

Selecting a Stockbroker or Investment Adviser



Michael Watson
SECRETARY OF STATE

Securities Division

P.O. Box 136
Jackson, MS 39205
601-359-1334
www.sos.ms.gov

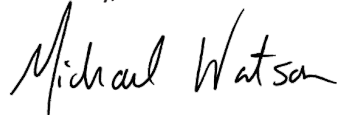
Dear Fellow Mississippians:

To select the best financial adviser, you need to have a clear, precise and realistic idea of your goals. Ask for recommendations from friends, business colleagues, or other professionals you trust. Keep in mind that someone else's ideal financial adviser may not be right for you. Your goal should be to find an investment adviser or stockbroker who will be able to understand and accommodate your particular investment status and personality.

The Secretary of State's Office wants to remind Mississippians to investigate before investing. Anyone can become a victim of a securities swindle. Investment advisers and stockbrokers, as well as any investments or securities they offer, in most cases, are required by law to register with the Secretary of State's Office. We keep a register of Mississippi investment professionals which includes their reported disciplinary history.

If you are considering using the services of a stockbroker or investment adviser, call the Securities Division at 601-359-1334 (or toll-free 888-236-6167 for Mississippi residents) and we will be happy to help you.

Sincerely,



MICHAEL WATSON
Secretary of State



Selecting Your Adviser

Be sure to look for certain characteristics and qualifications when choosing someone to manage your investments. The following tips will help in your search:

- **Review your personal financial situation.**

Include income, debts, insurance, and emergency reserves of cash. Carefully consider how much you can afford to invest and how much risk you are willing to assume.

- **Choose someone with whom you feel comfortable.**

A financial adviser should always listen to you and respect your chosen degree of risks and objectives. He or she should also provide you with written information and take as much time as necessary to explain a proposed transaction.

- **Determine the adviser's educational and professional credentials and level of experience.**

Does the adviser have a business-related degree or a professional designation? A good rule of thumb regarding experience is five or more years of previous experience in an investment-related business.

- **Obtain references from three or more clients the financial adviser has counseled for at least two years.**

Secure the names of several long-term clients and ask about their level of satisfaction, investment returns, and intentions about staying with the financial adviser. Avoid financial advisers who pressure you to rely on the word of one or two clients. You can also check out a broker or brokerage firm using the free online Broker Check on our website at www.sos.ms.gov or online at www.finra.org.

- **Determine who will be handling your account.**

If your financial adviser will be turning over all or most of the day-to-day work on your account to a junior associate, take the time to check out that individual as well.

- **Request examples of plans and monitoring reports the financial adviser has drawn up for other investors.**

Make sure that these documents met all of the financial plan criteria that would be important to your investment decisions. An adviser should adhere to the investor's goals and determined amount of risk.

- **Determine the method of compensation**

Advisers are compensated in three ways:

- By fee only (by the hour, by the project, or by assets under management)
- By fees and commissions (fee for planning and commissions for implementation)
- By commission only for product sales

All three compensation methods have advantages and disadvantages. Select the method you prefer. Remember, the adviser has the legal responsibility to disclose the forms of compensation to be sued throughout your relationship.

- **Ask to what trade organizations the financial adviser belongs.**

Membership in industry groups providing training and membership services may indicate a planner's dedication to the profession. Note respected groups such as FINRA and SIPC and any designations such as Certified Financial Planner (CFP).