

BY ROBIN YOUNG

In the wake of the market Tsunami and the unraveling of fraud in the Madoff case, many investors are wondering — Who can I trust? And who can blame them. With the various ways financial firms are structured (investment firms, broker dealers, custodians, insurance companies), it's hard to determine who has your best interest in mind and how best to protect yourself. Trust alone and traditional forms of due diligence failed to alert investors in the Madoff case. He was well respected in his community and had no criminal record. So where does an investor turn? Start with two critical questions.


Who has my money? Madoff's firm took custody of client money, meaning that clients wrote checks to and received statements from his firm. This gave Madoff the ability to walk off with his clients' money. Your money should be held at an independent custodian (TD Ameritrade or Schwab) bank, mutual fund or brokerage firm where you are able to check your statements and account activity against

the statements provided by your advisor. Are you legally obligated to act in my best interests? According to the Financial Planning Association, most financial advisors still receive income from the sale of commissioned products, despite the obvious conflicts of interest that can arise from this arrangement. So, are there financial advisors who are required to act in your best interest? Yes, in a fiduciary arrangement. A Registered Investment Advisor "RIA" is a fiduciary and is legally required by the SEC to put your financial interests ahead of their own. Other financial advisors are only held to a suitability standard which at best means they're supposed to reasonably believe that the investment and insurance products they want you to buy are appropriate for your situation. Just "appropriate" — not "the best choice" or "in your best interests." Trust isn't good enough anymore — do your homework when choosing a financial professional. Searching for a RIA (or firm) is a good starting point. Also, check out your financial advisor's regulatory record and licens-



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ing at www.sec.gov/investor/brokers.htm, a database of all brokers and RIA's and don't be afraid to get a second opinion. Your financial health is dependent on it.

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Networking Organizations

American Business Women's Association, 1-800-228-0007, www.abwanh.com, (NH)

Business & Professional Women/NH, www.bpwusa.org, (NH, USA)

Seacoast Women's Network, www.jredweb.com/swn(NH, MA, ME)

Women's Business Center, (603) 430-2892, www.womenbiz.org, (NH)

Women Supporting Women Center, (603) 772-0799, www.wswcenter.com, (NH, MA, ME)

Southern NH Women's Business Network, mcstrasburger@snhwbn.org, www.snhwbn.org,

The New England Seacoast Holistic Health Association (NESHHA) - Contact Pauline M. Derby at 603-964-7471; www.NESHHA.org.

Women Inspiring Women - Leslie Sturgeon, President, 603-744-0400; www.wiwnh.com.

The Commonwealth Institute, Lisa Christine Summerville, 617.803.0447 www.commonwealthinstitute.org.

One More Referral, Melissa Lesniak, www.OneMoreReferral.com

Northshore Women in Business, Peabody, MA, www.nswib.org

Dare to be Phenomenal, Maureen Campaiola, 978-794-4991 or maureen@daretobephenomenal.com

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