

Retirement Plan Devastated?

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Who's watching your investments?

Oftentimes, no one. And, in a troubled economy, that's particularly dangerous — especially when your life savings and retirement plan are at stake.

Most investment accounts require the broker to receive your permission before buying or selling stocks or mutual funds. But that doesn't mean he/she is regularly checking your investments. When brokerage firms are sued over account losses, they always argue that, in non-discretionary accounts, they have no duty to regularly monitor your account. That defense has been raised time and time again in securities arbitrations where the broker was "asleep at the wheel" and did absolutely nothing to stop huge losses – a sign of a risky investment strategy.

However, here are some simple steps you can take to minimize losses and maximize your financial health:

- **Know your broker.** Is your broker qualified? Has your broker been subject to disciplinary action or been sued successfully by other investors? These questions can easily be answered from the FINRA (Financial Industry Regulatory Authority) by visiting www.finra.org under FINRA Broker Check or calling the hotline at 800-289- 9999.

- **Determine your investment objectives and risk tolerance.** Brokers are required to invest your money consistent with your financial condition, investment objectives and your risk tolerance. All too often, we see situations where investors did not want to take risks with their hardearned money, yet the broker recommended very aggressive investments. This frequently happens when investors sign blank forms after opening accounts. Call your broker and ask for copies of your investment objective and risk tolerance forms. If they are not accurate, request investment changes to meet your goals and comfort level.

- **Beware of variable annuities.** These investments pay large commissions to the broker and are not suitable for most inves-

tors. Variable annuities can have the same market risk as stocks and lock up your money for years, requiring hefty fees to get your money back early.

- **Ask questions, demand answers.** Question whether you're invested properly. Have your assets been invested in a number of different types of investments across a variety of industry sectors, or has the broker over-concentrated your investments in one particular sector, dramatically increasing your chances of losing money in a down market?

- **Stay in touch.** Frequently communicate with your broker. This prompts review of your investments on a more regular basis and provides you with the service you have paid for and deserve. If you are not happy with your broker's response, go to his/her boss.

Retaining a properly trained broker who follows basic rules of prudent investing—and being a diligent investor—will help prevent most significant stock losses, even in a down market.



Joel Feldman, Esquire, Managing Partner of Anapol Schwartz, helps individuals recover stock market losses, as well as compensation for injuries.

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