



Beware of Unlicensed Financial Advisers

The District of Columbia Department of Insurance, Securities and Banking (DISB) is warning District consumers to be on the alert for unlicensed financial advisers, who are making unsolicited calls and sending emails to consumers about investment opportunities and financial advice. In the District of Columbia, brokers, investment advisers, and their firms are required by law to be licensed or registered.

Before making an investment or submitting payment for any investment advice, consumers are advised to make sure their brokers, investment advisers, and investment adviser representatives have not had disciplinary problems or been in trouble with regulators or other investors. Consumers should also check to see whether the financial adviser is registered or licensed. The information is easy to get, and one phone call or web search may save you money.

Some common examples of frauds committed by investment advisers include:

- Giving investment advice without being properly licensed
- Selecting unsuitable investments for clients
- Engaging in excessive trading in a client's account without regard to the client's investment goals
- Failing to disclose conflicts of interest to clients
- Materially misrepresenting an investment to clients
- Charging clients unreasonable fees
- Committing theft of client funds
- Borrowing money from a client's account
- Operating an unlawful investment scheme, such as a Ponzi scheme

If you have any questions, please contact the Enforcement and Consumer Protection Division of the District of Columbia Department of Insurance, Securities and Banking at 202-727-8000.