



# NOVA SCOTIA

## Securities Commission

# INFORMED INVESTING

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# What we do for Nova Scotians

- Regulate Nova Scotia capital markets to
  - protect NS investors by requiring licensing, regulation and disclosure, and
  - issuing warnings, of frauds, schemes and cautions around speculative investments
  - foster fair and efficient markets
- Educate NS investors to help them make informed investment decisions

# Commission Branches

- Investor Education
- Policy and Market Regulation
- Corporate Finance
- Enforcement

# Why do I need an adviser?

Working with an adviser can help you

- analyze your financial position and set investment goals
- design an investment plan
- design a portfolio
- choose suitable investments
- Track your progress
- Help you adjust as necessary

# You want to invest - How to choose an adviser?

- Certified Financial Planner vs. Financial Adviser
- [Before you invest checklist](#)
- Questions to ask when choosing a financial adviser
- [Check registration](#) and [CSA's Disciplined Person's list](#)
- Working with a financial adviser

# Before you invest checklist

## Check Before You Invest

Use this workbook to help you record information found while checking a financial adviser. The CSA brochures "Working With an Adviser" and "Understanding Registration" have other important information to consider when making your choice. Visit [www.aretheyregistered.ca](http://www.aretheyregistered.ca) for more information.

Adviser's Name \_\_\_\_\_  
 Firm / Employer \_\_\_\_\_  
 Address \_\_\_\_\_  
 Telephone # \_\_\_\_\_

### STEP 1: Check Registration

Is the firm registered?  Yes  No  
 Is the adviser registered?  Yes  No  
 Is their registration active?  Yes  No  
 Are they subject to any terms and conditions of registration? If yes, what terms and conditions: \_\_\_\_\_  
 Does it limit what they do or require them to be supervised?  Yes  No

*Note: If the person was disciplined, but is now registered, you may want to contact the person to inquire if there are any restrictions on the person's registration information on hand when you call can be helpful:*

### STEP 2: Check Disciplinary History

If the individual or firm you are considering has been disciplined by a provincial securities regulator, you will see a link for more details in your NRS search results.

Has the individual been disciplined by a securities regulator?  Yes  No

If yes, for which violations?

<input type="checkbox"/> N/A	<input type="checkbox"/> Director/officer ban
<input type="checkbox"/> Acting contrary to the public interest	<input type="checkbox"/> Trading ban
<input type="checkbox"/> Breach of order	<input type="checkbox"/> Completion of training
<input type="checkbox"/> Failure to file insider reports	<input type="checkbox"/> Investor relations ban
<input type="checkbox"/> Fraud	<input type="checkbox"/> Fine amount \$ _____
<input type="checkbox"/> Illegal or unregistered distribution	<input type="checkbox"/> Specific undertaking
<input type="checkbox"/> Misrepresentations	<input type="checkbox"/> Registration ban
<input type="checkbox"/> Unregistered activities	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Unregistered or illegal trading	

Are they on the IIROC List of Enforcement Actions?  Yes  No  
 ("Search Disciplinary Cases" at [www.iiroc.ca](http://www.iiroc.ca))

Have they been disciplined by the MFDA?  Yes  No  
 ("Check an Adviser" at [www.mfda.ca](http://www.mfda.ca))

Have they been disciplined by the Chambre de la sécurité financière?  Yes  No  
 ("Ethics and Discipline" at [www.chambresf.com](http://www.chambresf.com) — Québec only)

Has your local regulator added them to a caution list or a watch list on their own website?  Yes  No

*Note: If you discover the person you are dealing with is not registered or is on a caution list, call or e-mail your local securities commission immediately for more information.*

### STEP 3: Check the News and Search the Internet

Are you comfortable with the history of the company?  Yes  No  
 Would you want to work with this individual and company?  Yes  No

### STEP 4: Check if the Adviser and Firm are Right for You

Ask these questions about the adviser and their firm

Are you and your firm registered with a securities regulator?

\_\_\_\_\_

What is your education and professional experience?

\_\_\_\_\_

What types of investments are you registered to sell?

\_\_\_\_\_

How long has your firm and branch been in business?

\_\_\_\_\_

How long have you been with the firm?

\_\_\_\_\_

If I have a concern with how my investments have been handled, what is your firm's dispute resolution policy?

\_\_\_\_\_

What is your firm's dispute resolution policy?

\_\_\_\_\_

Ask how the adviser plans to help you and how much it will cost  
 How are you paid for your services (salary, commission or flat fee)?

\_\_\_\_\_

How will you help me reach my goals?

\_\_\_\_\_

How often will I receive account information from you?

\_\_\_\_\_

How often will you review my portfolio?

\_\_\_\_\_

Will you be my main point of contact or will someone else from your office contact me?

\_\_\_\_\_

Why do you think you are a good match for me? If you're not, who would you recommend, and why?

\_\_\_\_\_

Can you tell me about other clients who are like me and how you helped them reach their goals.

\_\_\_\_\_

### STEP 5: Decide What to do Next

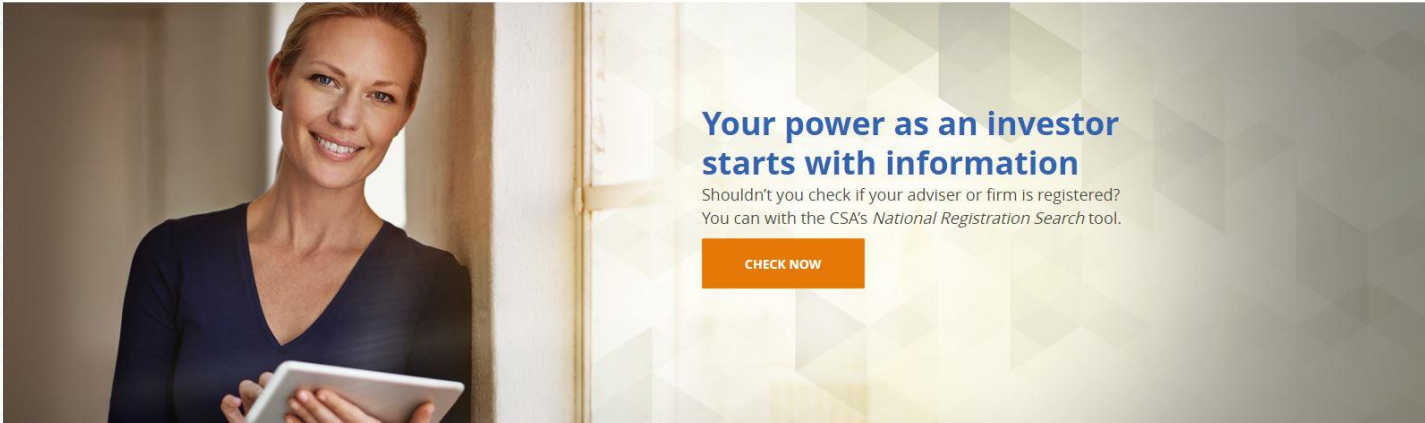
Now that you've gone through the steps above, decide if the adviser you are researching is right for you.

Yes, I want to work with this adviser. I will follow up with them to schedule my first planning discussion.

Choosing an adviser is a personal decision and is not just about the answers you record on this sheet. You must

Date : \_\_\_\_\_  
 Time : \_\_\_\_\_

# [Check registration](#) and [CSA's Disciplined Person's list](#)



Protect Your Investments Who Do You Trust? Investor Toolkit Registration Categories Working Together

About CSA Investor Tools Enforcement Cease Trade Orders **Registration** Industry Resources

## Registration

- Overview
- Registration Information
- National Registration Search**
- Search Tips

Registration information was last refreshed on 2018-01-04 18:29 PST.

### National Registration Search

Search for Individual or Firm?:  Individual  Firm

Show [detailed search](#)

#### Registration helps protect you!

Verifying registration is the first step to take before investing.

If you discover the person or company you are dealing with is not registered, or is offering you something they don't seem permitted to, contact your [local securities regulator](#).

Investment Dealers are regulated by the Investment Industry Regulatory Organization of Canada (IIROC). For further information on an IIROC-regulated advisor's background, qualifications and discipline history, use IIROC's [Advisor Report](#).

About CSA Investor Tools **Enforcement** Cease Trade Orders Registration Industry Resources

## Enforcement

- Overview
- Disciplined List**
- Investor Alerts
- Activity Reports

**Upholding The Law**  
enforcing the rules,  
holding people to account



### Disciplined List

The Disciplined List is intended to assist the public and the securities industry in conducting due diligence. The list contains the names of individuals and companies disciplined by the following agencies:

#### Decisions against individuals:

- the Alberta Securities Commission since 1987;
- the Autorité des marchés financiers since 2007;
- the British Columbia Securities Commission since 1987;
- the Tribunal administratif des marchés financiers (formerly the Bureau de décision et de révision) since 2007;
- the Financial and Consumer Services Commission (New Brunswick) since 2005;
- the Manitoba Securities Commission since 1999;
- the Nova Scotia Securities Commission since 2002;
- the Ontario Securities Commission since 1997;
- the Financial and Consumer Affairs Authority of Saskatchewan since 2005;
- the Québec courts since 2007;
- the Investment Industry Regulatory Organization of Canada (IIROC) since 2004;
- the Mutual Fund Dealers Association of Canada (MFDA) since 2004; and
- the Chambre de la sécurité financière since 2001.

# Understanding Registration



## The Categories of Registration

Scholarship Plan Dealer	Exempt Market Dealer	Mutual Fund Dealer	Investment Dealer	Portfolio Manager
Very Limited		Somewhat Limited		No limitations
Spectrum of Securities Products Offered				



# Investment Products

## Cash and Cash Equivalents:

- Savings Bonds
- Treasury Bills
- Money Market Funds

## Fixed Income Securities:

- GICs
- Bonds
- Mortgage and bond funds

# Investment Products

## Equities:

- Common Shares
- Preferred Shares

## Investment Funds:

- Mutual Funds
- Exchange Traded Funds (ETFs)

# Do Not!!!

- Sign blank documents
- Avoid opening your mailed financial statements
- Leverage large, high interest loans to invest
- Make out cheques to your adviser

**If it sounds too good to be true, it probably is.**

# Scams and Fraud

## Red Flags of Investment Fraud:

- You were promised a high return for low risk.
- You have to act now and are given no time to think it over.
- You are being given confidential or inside information.
- There is no credible source that can validate the investment.
- The firm or advisor is not registered.

# Common Scams and Frauds

- Affinity Fraud
- Ponzi Scheme
- Boiler Room
- Pump and Dump
- Cold Calls, E-mails, Social Media, Forums, Reddit
- Binary Options
- ICOs & Cryptocurrency scams



# Investor complaint process

- Adviser
- Head office or Firm
- IIROC or MFDA, if applicable
- Ombudsman for Banking Services and Investments (OBSI)
- NSSC Complaint process

# Online Resources:



- **Nova Scotia Securities Commission**
  - <http://nssc.novascotia.ca>
  - [twitter.com/NSSCommission](https://twitter.com/NSSCommission)
- **For Seniors**
  - <http://www.mfda.ca/investors/seniors.html>
  - <http://serveourseniors.org/>
- **Before You Invest Tools**
  - <http://www.securities-administrators.ca/investortools.aspx?id=1128#dpl>
- **Check Registration and Disciplinary History**
  - <http://www.securities-administrators.ca/nrs/nrsearch.aspx?id=850>
  - <http://www.securities-administrators.ca/disciplinedpersons.aspx?id=74>
- **Have a Complaint?**
  - <http://nssc.novascotia.ca/recognize-and-report-scam>



<http://nssc.novascotia.ca/before-you-invest>

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What does the  
Nova Scotia  
Securities  
Commission do?

?

Why should I invest?

?

How do I get started  
with investing?

?

What are  
mutual funds?

?

What are the  
warning signs of  
investment fraud?





<http://nssc.novascotia.ca>



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[@NSSCommission](https://twitter.com/NSSCommission)



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