



# Delaware Attorney General Investor Protection Unit

## Investor Advisory: Using BrokerCheck<sup>®</sup> and IAPD to Obtain Information on Investment Professionals

*BrokerCheck<sup>®</sup> and IAPD provide investors with important tools to access and review disclosures regarding a registered securities professional's practice, such as his or her employment history, licensure status, and customer complaints, if any. BrokerCheck<sup>®</sup> and IAPD are important, but not exhaustive, resources that should be used by investors in determining the suitability of an investment professional. Investors who are concerned about the suitability of an investment professional or have questions about BrokerCheck<sup>®</sup> or IAPD are encouraged to call or email the Investor Protection Unit at (302) 577-8424 or [investor.protection@state.de.us](mailto:investor.protection@state.de.us).*

### **What are CRD and IARD?**

The Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) are nationwide electronic registration and licensing databases that contain important information about licensed investment professionals (broker dealer agents and investment adviser representatives, respectively). CRD and IARD contain a host of disclosures and other information such as an investment professional's employment history, licensure, and reported customer complaints.

### **Importance of Consulting BrokerCheck<sup>®</sup> and IAPD**

Much of the information that is reported in CRD is available to the public, free of charge, through the BrokerCheck<sup>®</sup> service hosted by FINRA, which can be accessed at [brokercheck.finra.org](http://brokercheck.finra.org). BrokerCheck<sup>®</sup> allows users to easily search for and obtain key information about registered brokers. This information includes, among other things, an employment timeline, licensure status, and legally required disclosures such as customer complaints or arbitrations, regulatory actions, employment terminations, bankruptcy filings and any civil or criminal proceedings that the broker was a part of. The Investment Adviser Public Disclosure (IAPD) system makes similar information available for registered investment adviser representatives. See [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

Regulators, such as Delaware's Investor Protection Unit (IPU), work hard to protect investors and take very seriously the customer complaints and other disclosures that are reflected in CRD and IARD. The IPU urges all investors to consult BrokerCheck<sup>®</sup> and IAPD to help determine if their investment professional is a good fit.

BrokerCheck<sup>®</sup> and IAPD are useful, but not exhaustive, tools for evaluating the suitability of an investment professional. For example, under limited circumstances, customer complaint information can be "expunged" from CRD and IARD, meaning that it becomes invisible to regulators and the investing public. The IPU is working to combat abuses of the expungement system and supports reforms to make abuse less likely. However, BrokerCheck<sup>®</sup> and IAPD may not always offer a complete picture of an investment professional's background. Therefore, in addition to using BrokerCheck<sup>®</sup> and IAPD, the IPU recommends that investors use additional sources of information in determining an investment professional's suitability, including by calling the Attorney General's Investor Protection Hotline at (302) 577-8424.

While the IPU cannot recommend or discourage the use of any specific investment professional, an investor who has questions or concerns about an investment professional should contact the IPU.

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