

**[Checking the backgrounds of individual securities brokers and advisors who sell investments](#)**

**Category : Regulation of Financial Advisors and Investment Advisers**

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Summary: Concerning the backgrounds of individual securities brokers and advisors who sell investment products, the National Association of Securities Dealers, Inc. (NASD) offers assistance in checking their backgrounds. To find information about securities brokers and advisors at NASD (<http://www.nasd.com>), look for "NASD BrokerCheck," and click on the link provided. The BrokerCheck system contains "disclosure information." "This information is filed with the CRD system—the licensing and registration system operated by NASD and used by the industry, state and federal regulators, and SROs (self regulating organizations) for purposes of registering and regulating securities firms and their brokers. The information provided through NASD BrokerCheck is derived primarily from information contained in the CRD system."1 As of July 2005 NASD BrokerCheck stated that its BrokerCheck system contained information "on over 661,780 current and former registered individuals and over 5,180 NASD registered firms."2 It includes information on the professional background, registration/license status, and behavior of registered firms and individual brokers. More specifically, it contains information on employment, terminations, registrations, criminal events, regulatory actions, revocations or suspensions, civil judicial actions, civil proceedings, pending investigations, written consumer-initiated complaints, arbitration, bonding, unsatisfied judgments and liens, and bankruptcy. According to NASD, "information made available through NASD BrokerCheck is derived from the Central Registration Depository (CRD®) as reported on the industry registration / licensing forms — Form U-4 and Form BD. The Forms are approved by the Securities and Exchange Commission (SEC) and adopted by all self-regulatory and state securities regulators. "Also included is regulatory information separately reported to the CRD by the SEC, self-regulatory organizations such as the NASD and New York Stock Exchange (NYSE), and state securities regulators. The most current information on brokers and firms is made available. Historical information that is no longer reportable on Form U-4 and information contained solely within state records is available only through the appropriate state regulator."3

1) National Association of Securities Dealers, Inc. website, NASD BrokerCheck Brochure, 2003, page 8, <http://www.nasdr.com>, May 28, 2004

2) NASD BrokerCheck website, "About NASD BrokerCheck" <http://www.nasdr.com>, July 29, 2005

3) *ibid*, NASD BrokerCheck website

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