

ASA HUTCHINSON
GOVERNOR

B. EDMOND WATERS
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300
201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

Arkansas Securities Department Shines Light on Broker-Dealer Fees

[Little Rock] – In recognition of Financial Literacy Month, (April 1-30) the Arkansas Securities Department (ASD) today issued an advisory to help raise investor awareness about fees charged by broker-dealer firms for services and maintenance of investment accounts.

“A key component of building financial literacy is understanding what you need to know and where to find it,” Arkansas Securities Commissioner, B. Edmond Waters said. “That is especially important when it comes to understanding what services you are paying for and how much you are paying.”

The advisory follows new research from the North American Securities Administrators Association (NASAA), of which the Arkansas Securities Department is a member. The research shows investors are confused about brokerage service and maintenance fees and want clear and easy access to fee information from their broker-dealer firm.

A national public opinion poll commissioned by NASAA found that fees are important to investors but a general lack of standardization and clarity in their disclosure has left investors unaware of how much their broker-dealer firm charges for the service and maintenance of the investment accounts.

To help raise investor understanding of broker-dealer fees, the ASD suggests investors focus on the timing, method and content of fee disclosures.

- **Pay attention.** Fees are typically disclosed when a customer account is opened. Ask for a fee schedule and make sure it is up to date. If it is not readily available, do not place any assets until it is provided. You have the right to know the fees in advance. Also, watch out for fee changes. Most broker-dealers disclose fee changes at least 30 days in advance, but they may use different methods to reach investors. Make sure your broker dealer firm knows how you prefer to be contacted.
- **Read the fine print.** Most broker-dealer firms disclose fees for certain services on a table, chart, or list, while some use a narrative, but it may not list dollar amounts or formulas. If you do not see a section on fees and charges, ask for it. Investors are responsible for reading and understanding all materials provided by a broker-dealer.
- **Talk the talk.** Different firms may use different terms for the same service. Know the services you may be using regularly and ask specifically what terms a firm uses for its services and the associated fees.

“Savvy consumers know it is important to compare prices on similar products to get the best value for their money,” Commissioner Waters said. “Wouldn’t it be nice if the same were true when shopping for a broker-dealer firm to handle your investments?”

The advisory is available on the Arkansas Securities Department website at www.securities.arkansas.gov. For more information, contact the Securities Department at 501-324-9260 or, 800-981-4429.