

How advisers can avoid Finra scrutiny over personal liens, judgments, or bankruptcies, InvestmentNew's Outside-IN

While disclosures of negative personal financial events are not pleasant, the consequences of not making them can be severe

*By Gregg Breitbart, Esq.
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You're a financial adviser with a clean record and a solid book of business. Unfortunately, along the way, you had some personal tax issues and, despite your best efforts to resolve them, the Internal Revenue Service filed a series of tax liens in an attempt to collect the debt. Or perhaps you "overbought" your last home and had to let it go in a non-recourse short sale.

Not pleasant, but certainly not career-threatening, right?

The short answer is, "it depends." Did you report the tax liens or the "compromise with creditors" to your firm's compliance department in a timely manner, and make sure that they updated your Form U-4 accordingly? If not, your professional life may be about to change, and not in a good way.