



How to sell complex financial products in a hostile environment, Investment News

By Todd D. Kremin
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Given the current difficult and unpredictable conditions in U.S. and global financial markets, securities broker-dealers and their registered representatives often turn to complex financial products in an attempt to meet their clients' investment objectives. Regardless of a client's investment goals, a broker must understand the products they sell and analyze whether they are suitable for its clients. Indeed, the Financial Industry Regulatory Authority ("Finra") clearly mandates that broker-dealers and their representatives have significant suitability and due diligence obligations before recommending them to investor clients. It is critical, therefore, that firms and their brokers understand these suitability obligations to minimize future liability.