

## **WHAT WE CAN DO FOR YOU & WHAT WE CANNOT DO**

The authority of the North Carolina Securities Division is limited by law. The agency has only those powers that are given to it by the North Carolina Securities Act, the North Carolina Investment Advisers Act, and the Commodities Act. The Division investigates allegations of (1) violations of the registration requirements and business practice regulations applicable to stockbrokers and investment advisers; (2) offers or sales of securities in violation of the registration requirements; and (3) deceptive or fraudulent practices in connection with the offer, sale or purchase of a security, or in connection with the providing of investment advisory services.

### **WHAT THE SECURITIES DIVISION CAN DO FOR YOU:**

When you file a complaint with the Division, our staff will evaluate your complaint. If your complaint involves a matter that we believe is outside our legal authority, but could be dealt with by another governmental entity, we will refer it to the appropriate governmental entity.

The Securities Division can tell you whether a particular person or firm is properly registered in North Carolina as a stockbroker or investment adviser, and whether a particular security was registered before it was offered or sold in North Carolina.

The Division can take enforcement action when it determines that there has been a violation of the statutes or regulations that it administers. It can take administrative enforcement action, such as the issuance of “cease and desist orders” prohibiting further violations of the law, “stop orders” prohibiting the further sale of a security, and restrictive orders imposing conditions on the continued use of a stockbroker or investment adviser license. The Division may also cooperate with local district attorneys to pursue criminal prosecutions of willful and egregious violations of the securities laws.

### **WHAT THE SECURITIES DIVISION CANNOT DO FOR YOU:**

The Securities Division cannot bring a lawsuit in your name to recover the money you may have invested. The Division cannot cancel or void a contract or agreement to which you are a party, and it cannot order a person to give you your money or your securities back. The securities laws do not give the agency these powers. However, those laws do permit you to bring a civil lawsuit to recover your money or the amount of damages you have suffered because of someone’s violation of those laws. You may choose to employ a private attorney to do this.

The Securities Division cannot give you legal or financial advice, nor can it represent you as your attorney.

The Securities Division cannot advise you as to whether a particular stockbroker or investment adviser is “honest,” competent, or “good.” It cannot tell you whether a particular investment is a “good deal,” or whether the company or person seeking the

investment is “legitimate.” However, we recommend that you read the articles posted elsewhere on this website for suggestions on how to pick a financial adviser and how to avoid investment scams.

The Securities Division cannot intervene in the internal affairs of a corporation, limited liability company, or partnership on behalf of an investor, and it cannot resolve disputes between the owners and the management of a company about how the company is being managed.