

# Taking Action: How Securities Regulators in the US Are Addressing Vulnerable Investors

**CVM Investor Education & Behavioral Sciences Conference**

**Panel 6 – 8 December 2016**

**Windsor Atlântica Hotel, Copacabana, Rio de Janeiro,  
Brazil**



# Who Are We?



## **FINRA:**

- Non-profit, non-governmental regulator
- Mission: investor protection and market integrity



## **FINRA Foundation:**

- Research and outreach
- Focus on building financial capability for all Americans

# Today's Topics

1. Research on emotion and fraud susceptibility
2. Training programs for first responders
3. Regulatory initiatives to protect against financial exploitation

# 1

## Emotion & Fraud Susceptibility

# New Research: April 2016

FINANCIAL FRAUD RESEARCH CENTER



## The Effects of Emotional Arousal on the Susceptibility of Older and Younger Adults to Fraudulent Advertising

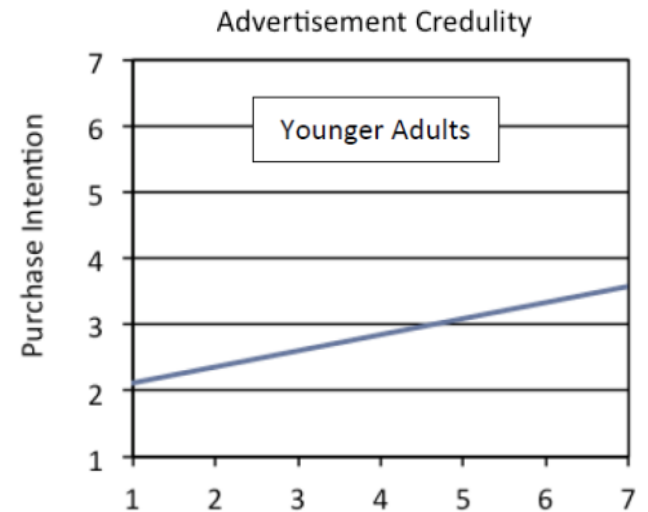
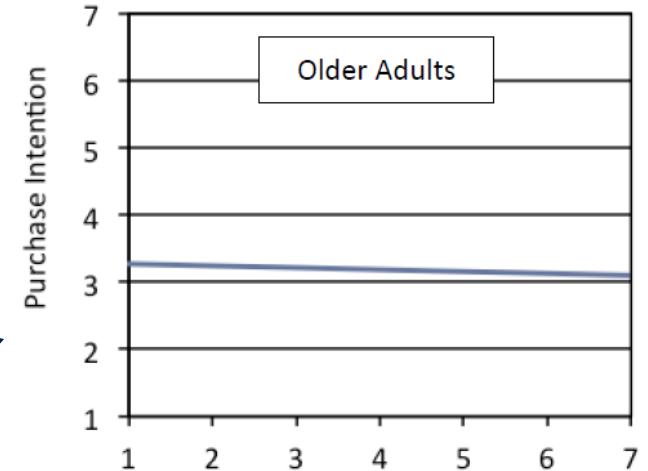
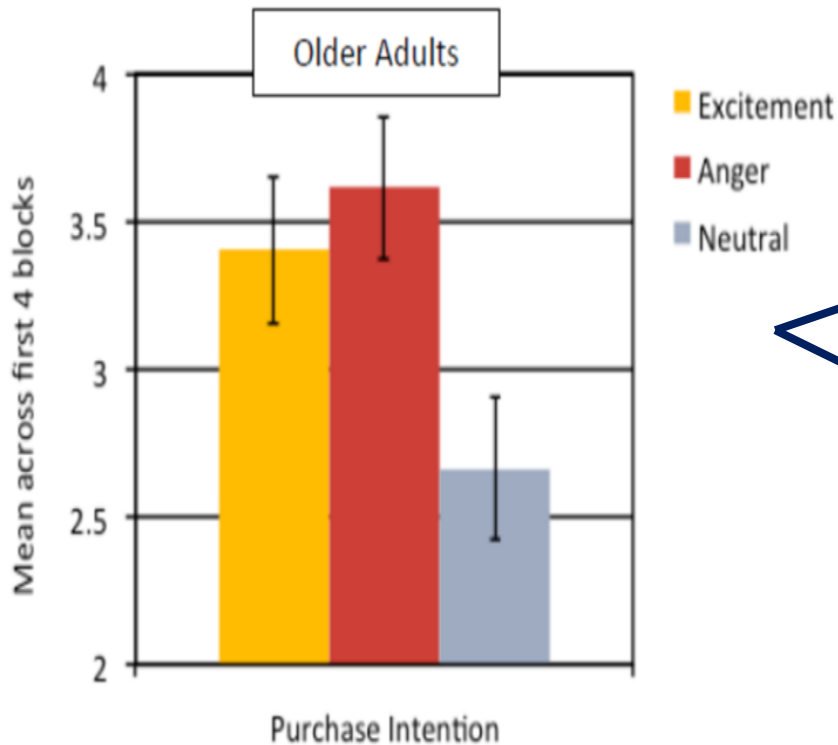
Katharina Kircanski, Ph.D.<sup>1</sup>, Nanna Notthoff, Ph.D.<sup>1</sup>,  
Doug Shadel, Ph.D.<sup>2</sup>, Laura L. Carstensen, Ph.D.<sup>1</sup>,  
& Ian H. Gotlib, Ph.D.<sup>1</sup>

<sup>1</sup>Department of Psychology, Stanford University

<sup>2</sup>AARP Washington



# Heightened Emotion & Susceptibility



# 2

## Law Enforcement & First Responder Training

# “Targeting Investment Fraud”

## Collaboration with National White Collar Crime Center

- 32 trainings since November 2012
- 1,200+ law enforcement personnel from 460 different federal, state and local agencies
- Combines investigative techniques and prevention strategies





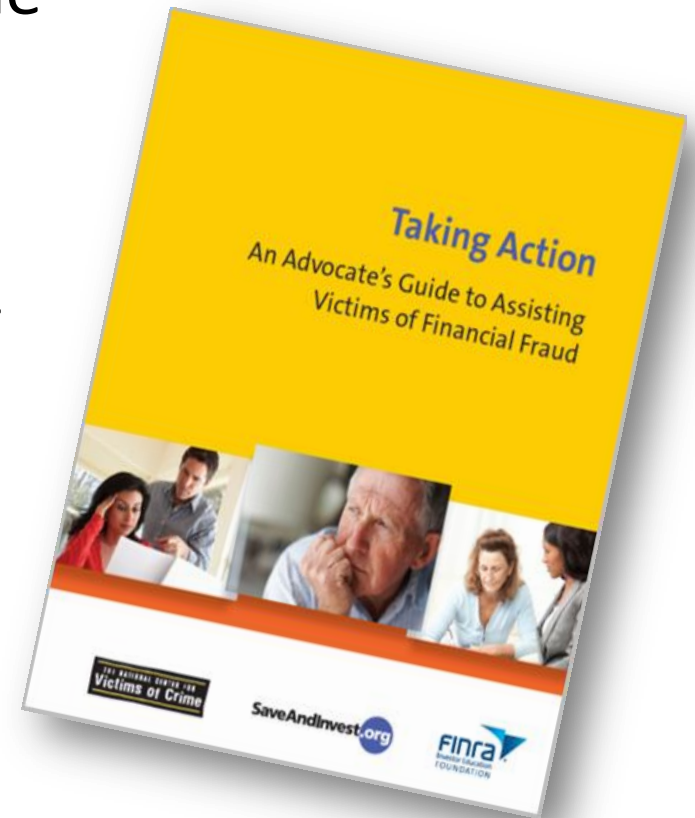
# Evaluation

- 92.9% of attendees reported increased knowledge and skill set
- 74.5% reported enhanced job performance
- 89.4% would attend an advanced training

# Outreach to Victim Advocates

## National Center for Victims of Crime

- 4,400+ victim advocates since 2013
- Empower and equip front-line responders to better assist victims of a range of financial scams and frauds
- Distributed 8,525+ guides in 2016 alone



# 3

## Regulatory Responses

# FINRA Securities Helpline for Seniors



**FINRA**  
Financial Industry Regulatory Authority

**FINRA Securities  
Helpline for Seniors™**



A toll-free number that senior investors can call to get assistance from the Financial Industry Regulatory Authority (FINRA) or raise concerns about issues with brokerage accounts and investments.

**Call 844-57-HELPS  
(844-574-3577)  
Monday – Friday  
9 a.m. – 5 p.m. Eastern Time**

Are you a senior investor with questions about your brokerage account statement or an investment in a brokerage account? Are you concerned that your account may have been compromised? To help you

7,000 calls

\$2.6 million for customers

Toll-free

Staffed by examiners

# Proposed Rules for Senior Investors



Require firms to attempt to collect alternate contacts for investors



Allows firm to place temporary hold on disbursements of funds or securities

# Questions?

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