

## Ask the Fool

## What If

Q If I open a brokerage account and the brokerage goes bankrupt or closes, what happens to my account? — *M.W., Lafayette, Ind.*

A Most brokerages carry Securities Investor Protection Corporation (SIPC) insurance, protecting your account for up to \$500,000, including up to \$250,000 in cash claims. (Many carry additional insurance, too.)

This doesn't protect you against a loss in value of your holdings. Instead, it protects against the financial failure of broker-dealers. To ensure that a brokerage is SIPC-protected, check its website for assurance or call it up and ask.

Learn more about brokerages and how to choose a good one at [broker.fool.com](http://broker.fool.com) and more about the SIPC at [sipc.org](http://sipc.org).

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Q I know that the market goes up and down with the buying and selling of stocks. But exactly who's doing all the buying and selling? — *T.L., Bremerton, Wash.*

A Many buyers and sellers are individual investors like us, placing small trade orders through our brokerages. There are also big institutional investors, such as mutual funds, pension funds, banks and insurance companies. And in the last few years, high-frequency trading firms that place gobs of automated orders are accounting for a lot of the market's activity.

Stock prices fluctuate due to supply and demand. If a stock is in great demand, its price will rise. If it falls out of favor, there will be lots of sellers, and the price will keep falling until it hits levels at which others will buy.

One advantage we small investors have is that we can discover a small gem and invest in it early. When institutions eventually start buying (they often can't get too involved with very small companies), they'll drive up its price, benefiting the smaller, earlier investors.

Got a question for the Fool? Send it in — see Write to Us



# The Motley Fool

To Educate, Amuse & Enrich

## Fool's School

## Financial Advisers In Perspective

Fully 97 percent of us think that financial advisers should be held to a "fiduciary standard," having to put their clients' interests first. And 76 percent of investors think — wrongly — that "financial advisers," a term loosely applied to a range of financial operatives, are indeed held to it.

Clearly, Americans are not getting what they want when it comes to financial advice. Here are some things to know:

**Most individuals would probably benefit from financial advice.** Saving and investing are complicated, and most of us need help making decisions on asset allocation, diversification and retirement vehicles, to name just a few challenges.

**Choose wisely.** Some "financial advisers" are really stockbrokers who make their living off commissions by selling you as many financial products as they possibly can. On the other hand, there are fee-only, independent investment advisers who are held to a fiduciary standard, having

to put your interests first. Always find out how a professional makes his or her money.

**Look for a good fit.** Make sure an adviser you hire is one you're comfortable with. You should have an easy rapport with each other and not feel too intimidated to ask questions.

**You're the boss.** Each of us has our own needs and psychology, so there's no one-size-fits-all plan out there. Solid investment decisions can be made only within the context of a good financial plan that takes into account your life goals. Make sure your financial advice is tailored to fit your circumstances. A good adviser will take time to find out your needs and preferences.

You can find fee-only advisers at [napfa.org](http://napfa.org) and can check out brokers and advisers via the Securities and Exchange Commission at [sec.gov/investor/brokers.htm](http://sec.gov/investor/brokers.htm) and also at [finra.org](http://finra.org). It's also smart to take some time to educate yourself about financial planning, if only so that you can ask your adviser more questions. To learn more, visit [fool.com/how-to-invest](http://fool.com/how-to-invest), or read a book such as "Personal Finance for Dummies" by Eric Tyson (For Dummies, \$23).

## My Smartest Investment

## Stop-Loss Protection

One of the smartest things I've done with my investing is to start using stop-loss orders, saving myself a fortune. I use them when I take chances on speculative stocks, and they keep me from getting burned. And even on my solid, long-term investments, they spare me big drops and I can always buy back in later. The trick is just believing in why you bought it in the first place and not hesitating to jump back in while it's down. — *Z., online*

**The Fool Responds:** Placing stop-loss orders when you buy a stock can indeed be helpful. They direct your brokerage to sell the shares immediately if they fall below a price you specify, such as 10 percent below your purchase price. That way, you can avoid losing more than 10 percent.

Be careful, though, because many people end up ejected out of good stocks that temporarily swoon and soon recover. And frequent buying and selling generates trading costs. Some brokerages allow you to set trailing stop-loss orders that reset at a certain percent below the current price whenever the current price changes.

Do you have an embarrassing lesson learned the hard way? Boil it down to 100 words (or less) and send it to The Motley Fool c/o My Dumbest Investment. Got one that worked? Submit to My Smartest Investment. If we print yours, you'll win a Fool's cap!

## LAST WEEK'S TRIVIA ANSWER

I was born in California in 1982, after my founder sold his winery for millions and became interested in hickory-shafted golf clubs. My revenue topped \$10 million by 1989, and now I rake in more than \$800 million annually, selling apparel and equipment in more than 110 nations. My main brands are my own name, Odyssey and uPro. One of my best-selling drivers is named after a big German World War I howitzer gun. Debuting in 1991, it was the first wide-body, stainless steel wood. My "Staff Pros" include Phil Mickelson, Annika Sorenstam and many others. Who am I? (Answer: Callaway Golf)

Write to Us! Send questions for Ask the Fool, Dumbest (or Smartest) Investments (up to 100 words), and your Trivia entries to [Fool@fool.com](mailto:Fool@fool.com) or via regular mail c/o this newspaper, attn: The Motley Fool. Sorry, we can't provide individual financial advice.

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## The Motley Fool Take

## Container Yourself

If you're looking for a solid dividend payer for your portfolio, look at Textainer (NYSE: TGH), which leases intermodal containers worldwide. Its dividend yield was recently 5.6 percent, and the payout has more than doubled over the past five years, with more room to grow.

Intermodal containers are those metal boxes stacked on top of one another in shipyards and railyards. They're advantageous because they can be transported on trains, ships and trucks with relative ease.

About 95 percent of all global trade travels by ship. And Textainer, though a small company, is one of the biggest players in helping companies move stuff around the world, leasing containers to more than 400 shippers.

Having such a wide variety of clients is crucial, as it leads to fewer empty berths. Items dropped off at one location can be replaced by other items going elsewhere. Textainer's containers are utilized — and monetized — almost everywhere they travel.

Textainer has 23 years of consecutive dividend increases, management that has been with the company for an average of 19 years, and is, at this point, relatively fairly valued with a P/E ratio near 8. A global economic recovery should boost Textainer's growth rate, and there are signs that it's under way. If you're intrigued, learn more about the company. (The Motley Fool's Income Investor newsletter has recommended Textainer.)

## Name That Company

Founded in 1980 and based in California, I'm a biotechnology giant today. My products include Aranesp, Enbrel, EPOGEN, Neulasta, NEUPOGEN, Nplate, Prolia, Sensipar, Vectibix and XGEVA, and they tackle cancer, kidney disease, rheumatoid arthritis, bone disease and more. I'm a pioneer in products based on advances in recombinant DNA and molecular biology. I employ about 17,000 people worldwide and rake in more than \$15 billion annually, while spending more than \$3 billion on research and development. I have dozens of treatments in my pipeline. To come up with my name, think of applied molecular genetics. Who am I?

Know the answer? Send it to us with Foolish Trivia on the top and you'll be entered into a drawing for a nifty prize!



## Fed underestimated crisis in 2007

Associated Press

WASHINGTON — Federal Reserve officials in 2007 underestimated the scope of the approaching financial crisis and how it would tip the U.S. economy into the worst recession since the Great Depression, transcripts of the Fed's policy meetings that year show.

The meetings occurred as the country was on the brink of the worst financial crisis since the 1930s. As the year went on, Fed officials shifted their focus away from the risk of inflation as they slowly began to recognize the severity of

the crisis.

During 2007, the Fed began to cut interest rates and took extraordinary steps to ease credit and shore up confidence in the banking system. Throughout the year, the housing crisis deepened. Banks and hedge funds that had invested big in subprime mortgages were left with worthless assets as foreclosures rose. The damage reached the top echelons of Wall Street.

At the Fed's Oct. 30 policy meeting, Janet Yellen, then-president of the Federal Reserve Bank of San Francisco, said the

economy faced increased risks. But she hardly predicted anything dire.

"I think the most likely outcome is that the economy will move forward toward a soft landing," she said.

Chairman Ben Bernanke noted that housing was "very weak" and manufacturing was slowing.

"But expect for those sectors, there is a good bit of momentum in the economy," he said. Bernanke did acknowledge that there was "an unusual amount of uncertainty" surrounding the Fed's economic forecasts.

## CHAMBER: Mixer, weekend on tap

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continuing to work on our three year strategic plan. Our specific area from our plan we will focus on for 2013 is workforce development. We will be meeting with school officials in the Columbia County School System, Florida Gateway College, as well as both large and small businesses, to see how we can all come together to create a labor ready workforce in our community.

### Chamber Mixer

We will host our first Chamber Mixer of the year on Thursday, Jan. 24, from 5 to 6:30 p.m. at Lake City Medical Center. This is a great opportunity to network with the local business community.

This also leads up the annual Chamber Ball weekend, which will take place on Friday and Saturday, Jan. 25 and 26. If you are a golfer, we invite you to come and play in our golf tournament sponsored by GulfCoast Financial Services on Friday at noon at the Country Club of Lake City. Entry fee is \$60 and includes lunch and many other fun surprises.

We have a few spots left. So, if you are interested, please contact the Chamber as soon as possible.

Saturday, Jan. 26, at 6 p.m. we will be hosting our Chamber Ball dinner sponsored by Rountree Moore Automotive Group. We are pleased to announce that we sold out of dinner tickets three weeks before the event.

We are very thankful to our members who continue to support us over the Chamber Ball weekend. We are still looking for silent auction items, if you have a product or service that you would like to expose in front of the 376 chamber members who will be in attendance. It is a great way to market your business and all of the proceeds go to help our chamber grow and thrive.

### The year ahead

2013 is going to be a great year for Lake City and Columbia County. Your Chamber of Commerce is ready to do our part to welcome the changes and growth to our community. As the old saying goes, it takes two — the chamber and you!

If you are a business owner or private individual that would like to take a more active role in shaping our community and business environment, we welcome you to consider membership.

We would love the opportunity to tell you what the Lake City-Columbia County Chamber of Commerce can do for you. Stop by and see us, visit our website — [www.lakecitychamber.com](http://www.lakecitychamber.com) — give us a call at 752-3690 or follow us on Facebook for the latest Chamber events and information.

■ Dennille Decker is the executive director of the Lake City/Columbia County Chamber of Commerce.



COURTESY PHOTO

First Federal Bank of Florida officials present a check for \$500 to Columbia City Elementary School, a participant in the bank's Community Rewards Program.



COURTESY PHOTO

Children and staff of the Happy House show off a check for \$1,000 received from First Federal Bank of Florida's Community Rewards Program.

## BANK: Local nonprofits benefit

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provide valued services to our communities."

For more than 50 years First Federal and its employees have been committed to building vibrant communities through the support of education, sports, the arts and improving the quality for all.

Since its inception in 2010, First Federal has given more than \$62,000

to local agencies through the Community Awards Program. This is in addition to the thousands of dollars and volunteer hours that First Federal and its employees give each year.

The bank has announced that the Community Rewards Program is underway for 2013. Anyone interested in helping support the community through

the Community Rewards Program, stop by a local First Federal branch or call customer service 755-0600 to enroll your debit card. Any organization representative interested in participating in the Community Rewards Program, please visit the Web site [www.ffsb.com](http://www.ffsb.com) and click on the Contribution Requests learn more picture.