

## Scott Brooks Video Transcripts

### VIDEO 36: 5:17

What I want to do is have a quick conversation with everyone about a concept that I developed years ago. It's called turning a negative into a positive. One of the negatives that I know many people in this industry have is that they have a U4 with some blemishes on it, whether it's customer complaints or other things. How do you handle this situation? I know many people live in fear of a client finding their U4 and finding those complaints on there and having that blow up in your face and kill a deal. Like it or not, that's going to happen from time to time. I've found the best way to handle it is to address it head-on from the beginning, to lay your cards on the table, and turn a negative into a positive.

So, let me give you some examples of things that you might say. Clients can ask you, can I check your background or can I find anything about your background, can I find you on the internet? Well, you know if they ask that question they're going to go onto Broker Check and they're going to find you, probably. So, what you need to do is to address it in advance.

So, here's an example of what I would say so somebody. Let's say you have some complaints on your U4. Here's something I would say. When you look at me

on the internet, one of the things that you're going to find is that in my career in this business, I've been doing this for 30 years, I have had total of four customer complaints. And I got to tell you something, I'm actually very, very proud of that. I mean, how many businesses do you know of that's dealt with the public for 30 years and only had four complaints in that period of time? And you know the best thing about those complaints? Every single one of those complaints were resolved and withdrawn. The reason those complaints happened is because of a lack of communication, or, as I like to say, people didn't follow their third commitment.

Remember, you third commitment is about giving me feedback? That commitment never goes away. You should always remind your clients that they should always give you feedback, and tell them if there's every anything you have a question about, or anything that bothers you, or something that's not right, don't let it fester. Don't let it bother you. You should immediately pick up the phone and arrange to come to me so that we can talk about it so that we can clear it up. Every one of those complaints that I have on my record, every single one of them, was a result of clients not calling me and discussing it first. Had they simply called and discussed it first, there would have been no complaint there whatsoever. That's a great way to solve that problem.

Another complaint . . . I'm sorry, another problem that people often have on their U4s is they've had a complaint that's resulted in a settlement against them. Now, it depends on what that settlement was and how it was paid, did you pay it or did your broker dealer pay it? Did you pay it, or did the firm you were affiliated with pay that settlement to the client, all right? So, on those cases, if you'd like, feel free to catch me at one of the training conferences or give me a call and we can discuss the situation and find a way to turn a negative into a positive, to fully disclose what it was, to accurately describe what happened, but yet at the same time turn that negative into a positive so the clients can be at ease with doing business with you. Remember, you don't want them finding out the negative stuff later and freaking out when they're at home. You want them to find that negative stuff out as soon as possible through you, so that you can clearly explain it and not just put their minds at ease, but get them to see that you're the right person and this is a nonissue. Again, turn a negative into a positive.

Another thing that we see quite often on brokers' records is they either have credit issues, some of them even have bankruptcies, all right? So, if you have some kind of a credit issue or a bankruptcy issue, your clients are going to find this. It's going to be on your U4 or it's going to be out there somewhere. You need to address it in advance. You need to figure out a way to simply describe what

happened in a positive way so that the clients can see that the decision that was made with that credit problem isn't something that's going to affect your business, and you need to find a way to show that by doing what you did, it was actually a positive thing. Now, there's many situations that can happen here. Again, this falls under the category of we have to discuss this on an individual basis, so what I recommend is that if you have one of these problems, catch me at a meeting or pull me aside at a meeting or call me on the phone and we can discuss this together and find a way that you can tell your clients in legal, proper disclosure what happened, but do it in such a way is that they see, all right, this is not a bad issue at all, this is a guy I can work with. This is a guy I can help with.

Never hide the negatives. Bring them out into the open and address them. It's kind of like what you see me do here when you see me presenting the private wealth strategies to people. If you'll notice, I spend a lot the time talking about the losses and talking about the negative things that occur. People respect that. They know people aren't perfect. They know you're not perfect. They just want to know that you have their best interests at heart, and that you're going to do right by them, and that anything that's happened in your personal life or professional life is in no way going to affect that relationship going forward.