Guide to Financial Protection for Older Investors

Important Information You Should be Aware of

Our firm wants to ensure that you are aware of the various issues and risks associated with investing that are unique to older persons. This guide focuses on those issues and provides valuable information on how you can protect yourself as an older investor.

What to Consider Before You Invest

Prior to purchasing in any investment product or service, it is important that you fully think about your unique needs and overall financial situation in order to determine whether the investment or service is right for you. Financial products and services offer many different risks and benefits, and before you invest you should understand the features of each and how they may affect your financial condition. Some of the key issues that you should be aware of as an older investor are the investment's level of risk, your liquidity needs and the fees and costs associated with the investment. You should also fully understand interest rates and general expenses, your income needs and the overall risk that you can afford to bear with the investment. Each of these concerns is described in depth below.

Risk — Different investment vehicles incorporate varying levels of risk. Generally, an investment that is designed to preserve your capital entails less investment risk than an investment that is designed to increase wealth. Investments that are growth vehicles generally take on more risk to meet their objectives. These types of investments may be more suitable for investors with a long-term investment horizon and who wish to take additional risk to grow their portfolio. Older investors typically are more interested in preservation of capital and have a shorter-term investment horizon. If this describes you, you should consider limiting the amount of risk that you will be exposed to as a result of any investment. Before you invest, make sure to ask your financial professional questions about the various risk factors associated with using a specific financial product or service.

Liquidity — As you grow older it may be increasingly important that you have access to your investments and be able to convert them into cash quickly in case of emergency or need for additional income. Liquidity is the ability to convert an asset into cash quickly. Many types of assets are fairly liquid in that they can be converted into cash fairly easily. Some assets are less liquid and may not be easily converted into cash when you need it. Investments that are less liquid may also impose significant fees or early withdrawal penalties to access your funds, which will decrease the amount of cash you receive. It is important that you assess your overall liquidity needs and, in turn, fully understand any liquidity limitations of any financial product or service prior to investing.

Fees, commissions and administrative expenses — The majority of investments have fees and expenses associated with purchasing and, in some instances, holding and eventually selling a security. Most investments incur an up-front commission at the time of purchase. Some investments have a built-in or annual ongoing expense that is charged as a management or maintenance fee. Also, a number of investments charge a fee or sales charge to sell your position. For example, if you are transferring mutual funds from one financial firm to another, your new financial firm may not be able to hold some funds. In these instances, you may continue to hold the funds at the previous firm or liquidate the positions. If you liquidate the positions, you may be charged a fee or commission for the transaction. Fees and commissions, at times, can be significant and can erode your investment.

In addition to commissions or fees, many firms also charge administrative fees to hold your account or process certain transactions. These fees may include shipping and handling fees, annual account fees, and processing fees. It is important that you understand all fees and expenses associated with your accounts and transactions prior to transacting business with a financial firm.

It is essential that you discuss fees and expenses associated with any investment, service or account with your financial professional in order to fully understand what you may be charged for a purchase or sale, as well as to hold the investment. These expenses can be significant and can potentially erode your account's value.

Interest rates — In addition to fees and expenses associated with transactions in your account, it is also important to consider any interest rates associated with various services provided to you. Margin accounts, although typically not suitable for older investors due to the additional risk exposure, have high interest rates that can fluctuate drastically and erode the value of your account as well as affect your ability to pay back the loan. Due to the high rates and additional risk, borrowing on margin may not be suitable for an older investor. As a result, you should fully understand how margin works by reading the "Margin Disclosure Statement" and talking with your financial professional prior to considering the use of margin.

Income needs — Income needs are an important factor for older investors to consider. Many older investors have a limited income stream for retirement, and any investment decision should consider how that investment will affect your ability to fulfill those needs. As a result you should consider the following questions:

- Will purchasing this investment change my current income situation?
- Will I have access to these funds in case of an emergency?
- Will the fees and expenses erode my income?

It is important that you prepare yourself for changes in interest rates and market conditions that may affect your income stream. You should generally not rely solely on your investments to serve as your only source of retirement income, as the yield and value may fluctuate, potentially decreasing any income paid to you and the overall value of your retirement savings.

As with any investment decision, it is important that you discuss all relevant factors and risks with your financial professional prior to investing. It is even more important that, as an older investor, you clearly and fully understand each factor and how it affects your unique needs. Your financial professional can help you fully understand any investment product or service prior to making a decision.

Why Older Persons Are Frequent Targets For Investment Fraud

Sadly, older people are common targets of fraud and financial crimes. Scam artists typically go after older people because they often have built substantial wealth over time, including in their home and savings and investment accounts. These scam artists generally utilize a number of methods to catch your attention, including pop-up ads, phone calls, e-mails and personal sales pitches, all designed to assist them in gaining access to your money. There are a number of factors unique to older persons that scam artists count on in their fraudulent activities. Some of these factors specific to older people are listed below.

- *Older people are trusting* — Many older persons grew up in an environment of mutual trust and respect for friends and co-workers. In most cases, people who want to take advantage will gain trust and credibility through friends or various affinity groups.
- *Older people may be alone during the day* — Many older persons are more likely to be alone during the day with little or no family support. Some people attempt to take advantage of this by befriending their victims and providing the attention that the targeted victims may be lacking in their day-to-day activities in order to gain their trust and access to their savings.
- *Older persons are often home to answer the door or the phone* — People looking to defraud older people typically call or visit the house during the day because they think that the older person would be home and willing to speak to them. Once they engage the older person in conversation, they then have the opportunity to gain his or her trust and access to his or her investments.
- *Older persons may be reluctant to report fraud* — Finally, older people are subject to investment fraud because predators rely on their reluctance to report their illegal activities. As a result, predators continue to prey on older people in the community.

The first step in avoiding being scammed or a victim of fraud is to understand why a fraudster actively focuses on the older population. Criminals use the situations above to take advantage of older persons by gaining their trust to scam them. They often employ phone, e-mail or website requests to win your trust and get access to personal information. You should not respond to any of these requests if you do not know its source. In addition, con artists will engage in illegal activities to get to an older person's investments. They can be very convincing and will attempt to take the money of those that they believe are vulnerable. Our firm can help you avoid investment fraud. Contact your local branch office if you feel that you may be subject to an investment scam or for information on how to protect yourself from any financial scams.

High-Pressure Sales Tactics

Older people are especially vulnerable to high-pressure and misleading sales tactics from financial representatives. Many times these tactics offer investments that are too good to be true or exotic investment products and services, such as oil well drilling or gold coins. Sometimes unscrupulous financial representatives use threats or scare tactics to take advantage of the older person's anxieties about their future financial situation.

It is important that you educate yourself about these types of scams in order to avoid them. Some of the more common high-pressure sales tactics used by fraudulent financial representatives who target older people are listed below.

Misleading information — A deceitful financial representative may attempt to mislead you about a potential product or service by telling you that there is little or no risk or that an investment will offer an above-average rate of return or income. They will often present you with marketing materials or disclosure information that focuses solely on the outstanding return with no mention of risk. These statements are almost always untrue and are a "red flag" that you should avoid the investment because more than likely it is a scam.

Fear and intimidation — Some representatives and salespeople will prey upon older people through fear and intimidation. They may use a number of scare tactics to gain access to your savings and investments, such as the threat of physical or financial harm, intimidating statements, recurring phone calls or contact as well as a number of other abusive practices. These unethical salespeople may also attempt to play off of an older person's anxieties about his or her future financial situation. The sole purpose of these practices is to scare you into giving them your money, which you may never see again. If you are subjected to an abusive salesperson trying to intimidate or harass you, you should contact your local law enforcement officials and report them immediately.

"Limited-time offer" — Be wary of someone offering products and services that are available "for a limited time only." You should always say "no" to any person who pressures you to make an immediate investment decision. It is important that you do your own research prior to making an investment decision. Seek a second opinion. Don't be afraid to ask questions. It is your money, and it should not be put at risk with a hasty decision.

Guarantees and Promises — If a salesperson tells you that "you are guaranteed to make money" or "I guarantee that you can't lose money" or promises you a guaranteed rate of return that seems too good to be true, it probably is, and you should be skeptical of this salesperson and his or her offerings. Con artists use promises of high returns to lure you into a financial scam.

Free Meal Seminars

It has become common for older people to receive an invitation to a seminar or a free meal that may or may not mention any sort of financial presentation. At these events you receive a nice meal and an opportunity to discuss various retirement issues with a financial representative. Though many of these events are legitimate, some are not. Some of them turn into high-pressure events where you may be given bad advice or pressured to open an account that is not suitable for your financial situation. In many instances, the financial professional may recommend liquidating securities positions and using the proceeds to buy unsuitable products. These recommendations may use high-pressure sales tactics and exaggerated claims about projected returns and provide little or no disclosure of the actual risks of the investment.

Our firm does not permit our financial professional to offer seminars that are meant to deceive the invitee. Our firms' financial seminars and educational events follow guidelines that are designed to ensure the attendees receive a fair and balanced presentation that clearly discusses any risks, costs and other factors associated with an investment in a no-pressure atmosphere.

Specialist Designations

Lately, many financial representatives refer to themselves as "elder specialists" or a similar title. In fact, quite often these financial representatives have no significant training in investment planning or in understanding the needs of older people. Older persons often put extra trust in these individuals as they may believe that they are better qualified to assist them. Although a representative may claim to be an expert because of a designation, achievement or experience, you should always check the background of the representative and any of their claims.

Bogus certifications or awards — Although a representative may claim to have a specialized industry designation or have won an award and have a fancy certificate on their wall to go along with it, that does not ensure that they are in any way more experienced in dealing with older persons than any other professional. Often the training that they have received is nothing more than marketing and selling techniques targeting the elderly, and the award may be based solely on their sales and not their knowledge.

False representations — False representations made by a salesperson may include misstatements of prior education and experience. You should carefully review a person's qualifications prior to doing business with them.

Education and experience — As always, before doing business with any investment professional, all investors should check with the Financial Industry Regulatory Authority, Inc. (FINRA) or their state securities regulator to determine whether the individual is properly licensed and if there have been any complaints or disciplinary problems involving the individual or his or her firm. If you have any questions as to what types of professional designations a financial professional at our firm may use, as well as the required qualifications, please request a copy of the "A Guide to Choosing a Financial Professional."

Fraudulent representatives who attempt to gain your trust may present misleading information regarding their education and experience. For instance, a representative as part of their sales presentation may represent that they have worked in the industry for a number of years or have advanced training or education when in fact they have neither. FINRA provides a free service called "Broker Check" on their website, finra.org, that you can use to research a representative.

Books — Some financial representatives will mislead a client about their knowledge and qualifications by placing their pictures and names on books about investing for older people and misrepresenting it as their own work when it was most likely written by another industry professional. Although there are a number of professionals within the industry who have authored books or articles, you should always verify who actually wrote the book or article before trusting the person who gave it to you with your money or investments.

Unsuitable Recommendations

No two investors have the same needs and financial situations. A financial representative who attempts to recommend an investment or sell you a financial product without considering your overall financial situation may be making an unsuitable recommendation. Financial professionals should make every effort to know their client prior to making any recommendations. Knowing a client entails understanding his or her investing history, current financial situation, goals and objectives, and risk tolerance. If a salesperson is not interested in learning about your needs, he or she is not looking out for your best interest. It is important to remember that if a financial representative attempts to sell you a product or service without knowing your overall goals and objectives, you should be skeptical of his or her actions and be aware that you may be a target of financial abuse. Good financial professionals listen more than they talk.

If you are presented with a product or service that you do not understand, take your time to fully comprehend the information and make sure to ask questions. It may also be wise to consult with a family member or close friend prior to making any final decisions. Do not let a financial representative rush you into a quick decision about something that you are not comfortable with. It is important that any decision that you make with regard to your savings is an educated and well-thought-out decision.

Common Forms of Investment Fraud

Investment scams and financial fraud and abuse can come in any number of forms. Some scams and abuses are easy to identify, but many are not easy to spot. The following are common scams that are designed to trick people into giving up money, personal information or property. These scams are often committed by strangers who pose as legitimate financial representatives, bank officers or government officials. Our firm does not offer or endorse any of the activities outlined below. If you encounter any of these fraudulent actions, you should contact your local law enforcement agency immediately.

Ponzi schemes — In Ponzi schemes, fraudsters advertise high rates of return on client investments. Instead of generating high rates of return, part of the original money deposited is returned to the investor as their "investment return." As a result, the initial investors tell their friends about the high returns, who then also invest. Unfortunately the initial "high returns" were simply their own deposits being returned to them and any "high returns" received going forward are actually deposits from new investors. Typically, these schemes continue until new investors are no longer available, and as a result, not only does the scheme disappear, but so does all of the money invested.

Pyramid schemes — Pyramid schemes are much like Ponzi schemes in that the fraudulent sponsors recruit a few initial investors and promise high rates of return on their investment — but only if they recruit more investors. These schemes may be disguised as games, chain letters or investment clubs. Pyramid schemes are focused on recruitment with the promise of increased investment return with increased recruits. As more recruits invest, they are expected to recruit others as well. Unfortunately, like Ponzi schemes, pyramid schemes involve no actual investment program, just the return of deposits disguised as "high returns," and in the end as new investors disappear, so does your money.

Coins and precious metals — Investment in high-quality coins is a common theme for fraudsters trying to scam you out of your money. Con artists attempt to sell you rare coins and precious metals with a promise that the value of the investment will soar rapidly. They then request that you send them your money and, often, a "commission" for the transaction to invest in the coins and metals. Unfortunately there are no real coins or precious metals involved. Scammers typically claim that the actual assets are held in an exotic bank for safekeeping when they really do not exist or are not worth the value that the salesperson represents.

Oil and gas drilling — As oil and gas prices continue to soar, so will the number of oil and gas drilling scams. Generally, investors are lured into purchasing an "ownership interest" in an oil well, an untapped oil field, or a drilling operation that promises rapid investment gains and profits beyond your wildest dreams. Many times these scammers will send you official-looking surveyor maps or research reports that promise an abundance of oil. These fields generally do not exist or are highly speculative in nature even if they are legitimate, and regrettably, as soon as you send the salesperson your money to invest, it is as good as gone.

Viatical scams — When you purchase a viatical, you purchase the life insurance policy of a terminally ill person at a discounted price. This benefits the person who is ill because it generates cash to help them pay medical bills, etc., and the investor receives the full value of the contract when the person dies. Viaticals can be extremely risky to the purchaser because the ill person may live much longer than expected or in many instances was not sick at all. Furthermore, many times an insurance carrier may refuse to pay you the settlement, or worse, may have gone out of business by the time you attempt to cash in. As a result, you lose all of your investment.

Affinity fraud — Members of closely knit groups such as places of worship, community groups or clubs are targeted by con artists who claim to share the same interests. These individuals attempt to gain your trust through these shared characteristics and typically convince a trusted group or club leader to spread the word about their investment schemes throughout the group. You should be particularly wary of fraudsters who try to gain your trust and exploit your emotions because they are "just like you." Although these people claim to be looking out for your best interests, many times they are looking only to take your money.

Wrong number/fax/e-mail scams — If you receive a "misdialed" call on your voice mail, mysterious fax on your fax machine or errant message in your e-mail inbox from a stranger with a "hot tip" for one of his or her friends, it is a scam. The message is designed to appear as if the person leaving the message didn't realize they were calling the wrong number or e-mailing the wrong account. The fraudster is hoping that if a victim hears this "hot tip," they will purchase the stock and drive up the price. The con artist, or the person who left the message, then sells their shares of the stock for a profit. After they sell their shares, the price drops dramatically, and often, the victim is left with a worthless stock.

Prize and sweepstakes fraud — This type of fraud generally involves telemarketing scams targeting older persons who are informed that they are "winners" of a lottery or sweepstakes. Unfortunately, in almost all instances, the victim never entered the lottery or sweepstakes. Generally, the fraudster states that the "winner" must pay the taxes on the winnings before he or she can receive the jackpot. As a result, an unsuspecting victim mails or wires thousands of dollars to a location outside of the United States. The victim may never receive any other correspondence, or in a variation of the scheme, he or she may receive a "certified" check in the mail for a large sum of money, which he or she deposits into his or her account. The "certified" check turns out to be a counterfeit and is charged back to the consumer's account.

Advance fee scams — This type of scam generally begins with a random phone call or visit from a salesperson offering to pay you to buy worthless securities. Generally, the scammer has official-looking literature or a website that refers to a regulatory website and describes the safety and legitimacy of the investment offered. In order to be able to participate in this offering, you must first pay an advance fee or commission for their service. Unfortunately, once you pay the fee, you will never see your money or the investments again.

Bank examiner fraud — In this scam, someone claiming to be a bank official, FBI agent or police officer contacts a bank customer. The scammer, disguised as the "official," asks the victim to go to the bank and withdraw a sum of cash from the teller. The scammer instructs that the cash should be placed in a bank envelope and brought directly to the "official." The "official" receives the envelope and pretends to count the cash. He or she informs the customer that it appears that the teller took one or two $100 bills, and that he or she will need the money for evidence. The "official" departs never to be heard from again.

Financial firm employee impersonator — In this scenario, the victim receives a telephone call from someone claiming to be an employee of a financial institution. The con artist tells the targeted victim that there is a computer problem or security investigation and asks for their account information for verification, which gives the fraudster unlimited access to their accounts. Unfortunately, it is not until too late that the victim discovers funds missing from his or her bank or investment account.

Password fraud/identity theft — An activity that is becoming more common as thieves and fraudsters become more technologically savvy is the theft of your personal information and even your identity through the Internet or e-mails. You should proceed with caution when visiting websites or opening attachments in e-mails from strangers. Do not enter personal information, such as Social Security number, date of birth, address, or financial and credit card information on websites that you are not familiar with. Furthermore, you should not enter any personal information, such as passwords, bank account numbers, etc., on the Internet while using any public computers, such as those in libraries, older people's centers, hotels, Internet cafes or coffee shops. These computers may have spyware or other means of tracking and stealing your personal information for criminal use.

There are other scams besides those listed here, which you should be aware of. You should be skeptical of any calls from telemarketers or mail about requests for personal information. You should never provide any personal information to any strangers. If you think you may be the target of a scam, contact your local law enforcement office or a financial professional for help.

Products

Not all investment scams include non-traditional investment vehicles and methods. Investments such as annuities, life settlements, equity-indexed certificates of deposit and other complex vehicles are legitimate and, in most instances, suitable investments. At times, they may not be suitable due to some of the features and costs associated with the investments. It is important to remember that products and services such as variable annuities, equity-indexed annuities, life settlements, equity-indexed certificates of deposit and other complex products all have unique costs and risks associated with them, and some of the features that they offer may not be appropriate for your unique financial needs as an older investor.

Variable annuities — The value of variable annuity contract fluctuates as the underlying investments increase or decrease in value. Variable annuities often carry high commissions, fees and surrender charges that must be paid if you pull money out of an annuity early. In some cases, annuities can increase your and any heir's tax burden. In addition, annuity contracts are complex and offer many alternatives that may not be suitable for your financial situation as an older investor. Annuities are long-term investments that may limit the amount of funds that may be withdrawn at any time. You may not be able to access funds when you need them without significant withdrawal penalties.

An important feature of annuities is the tax-deferral benefit. Since annuity tax deferral is irrelevant in an IRA or a qualified retirement plan, customers should purchase an annuity only if one or more other product features is important enough to justify the added costs associated with the feature. Similar investments offered outside the annuity may be available at a lower cost.

All factors listed above should be considered when discussing an annuity purchase with a financial representative.

Variable annuities and mutual funds are sold by a prospectus. Please carefully consider the investment objectives, risks, charges and expenses carefully before investing. The prospectus, which contains this and other information, can be obtained by calling your financial professional. Read it carefully before you invest.

Equity-indexed annuities — Equity-indexed annuities (EIAs) are like variable annuities but also offer features that are similar to fixed annuities. A fixed annuity's rate of return and payout are both guaranteed by the insurance carrier. An EIA's rate of return fluctuates more than a fixed annuity but less than a variable annuity. Many EIAs offer a guaranteed interest rate combined with an index-linked interest rate. Although an EIA may be suitable for you based on your overall financial situation, they are very complex products in which it is very difficult to calculate any gains or losses that the annuity may have incurred. EIAs also involve many of the same risks and costs involved with variable annuities and the guarantees offered are dependent on the claims paying ability of the issuer. As with any product, it is important that you fully understand all aspects of the investment by reading the educational materials available and asking your financial professional questions.

Life settlements — A life settlement involves the sale of your life insurance policy to a party other than the issuing insurance company for a premium to the cash surrender value but less than the death benefit. Life settlements can be suitable for some people due to the immediate source of liquidity that they provide. They can also be a viable option for people who are considering surrendering their policy or letting it lapse. Although life settlements may be beneficial for some investors, they are not always suitable transactions due to the high transaction costs and loss of life insurance, which you may need in the future. It is important to know all of the facts prior to considering a life settlement. Consider the costs and expenses, the value that you will receive and, most importantly, your future needs prior to entering into a life settlement.

Equity-indexed certificates of deposit — Equity indexed CDs are not the same as traditional bank-issued CDs, which guarantee principal and interest if held to maturity. Equity indexed CDs offer an interest coupon payment or return based on a stock market index. Returns on these products are not guaranteed and are not FDIC-insured. They are subject to the market risk of the index to which they are linked and may fluctuate in value over time. As a result, these products may offer no return over time or a negative return if liquidated prior to maturity. These products may not be suitable for investors who need the money or potential income for retirement living.

Complex investments — Complicated investments, such as structured products, closed-end funds, hedge funds and managed futures funds, may not be suitable for your financial situation. These investments typically offer higher expenses and fees to the investor and are typically less liquid than traditional investments, such as mutual funds. Complex investments may use leverage. The use of leverage in an investment portfolio can magnify any price movements, resulting in high volatility and potentially significant loss of principal. Other risky and highly speculative investment strategies may be used as well, including short sales, futures investing, derivative instruments, investments in non-U.S. securities, "junk" bonds and investments in illiquid investments. Such strategies may further enhance the risk associated with these complex investments. These products are suitable only for investors who have the financial ability to hold these investments through periods of volatile markets and are able to bear a potentially significant loss in investment value. Such investments are subject to fewer regulatory requirements than mutual funds and other registered investment company products and thus may offer investors fewer legal protections than they would have with more traditional investments. In addition, they may not be required to provide investors with periodic pricing and valuation information and there may be a lack of transparency with respect to the underlying holdings. Also, some of these products may be structured as a "fund of funds" (FoF). Although FoF's may offer further diversification (which cannot eliminate the risk of fluctuating prices and uncertain returns), they are often very expensive investments as an investor will incur both asset-based fees and expenses at the fund level and the indirect fees, expenses and asset-based charges flowing from the underlying holdings in which the funds invest.

How to Protect Against Financial Fraud

Do you know where to turn if you want to learn more about your current or future financial representative? It is important that you know where to get key background information on not only the representative but also on their employing firm to better protect yourself. There are many ways that you can protect yourself, including doing research, monitoring your information and limiting your access to fraudsters by protecting yourself proactively.

Central registration depository system — The Central Registration Depository System (CRD) is a valuable source of background information on financial representatives and financial institutions. It is a computerized database that holds licensing and registration information for financial representatives and firms all across the country. Accessible through FINRA, the CRD can provide information about a financial representative's or firm's past, including:

- Employment history
- Licensing and registration status
- Disciplinary history relating to the securities industry
- Civil judgments and arbitration decisions
- Criminal convictions
- Bankruptcies

CRD reports are publicly available for free. To obtain a report, visit the FINRA website at finra.org and select "FINRA BrokerCheck." Using this tool you can check the background of any registered financial professional and financial firm.

Monitor statements and confirmations — After you have invested, you should receive periodic account statements and transaction confirmations for each trade. Do not ignore these documents. It is important that you read each statement and confirmation carefully to make sure that all activity and balances are accurate and that all transactions were completed exactly as instructed. Do not throw your statements away. Make sure to create a file folder for your reference to include all investment-related information.

Remember, your responsibilities do not end once you have selected a financial representative and investments. A key to financial protection is ongoing monitoring of your account and maintenance of important records.

Monitor credit reports — In addition to reviewing your investment-related and bank information, it is important to periodically check your credit report to ensure that no activity is occurring without your knowledge with your credit cards, personal information, etc. Financial fraudsters use your personal information to drive up credit balances, open new credit card accounts and destroy your credit record without your knowledge.

National "Do-Not-Call" Registry — You can protect yourself from phone solicitations by entering your phone number into the National "Do-Not-Call" Registry located on the Internet at donotcall.gov after you enter your number on the registry, most telemarketers are not permitted to call your phone number, providing you further protection from fraudulent salespeople.

How to Identify a Scam

No matter how great an investment may sound when it is presented, there are a number of steps that you should take before you invest your money. Whether the offer comes in the form of an inadvertent e-mail, a random phone call or a knock at your front door, you should always do your research before you invest. Do not give in to pressure to act quickly.

Some of the best questions to ask are as follows:

Product — Is the product registered in your state or with the Securities and Exchange Commission? Does it really sound like the right investment for your current and future financial needs?

Financial representative — Is the person associated with a reputable financial firm? Is he or she licensed in your state or with the appropriate regulatory body?

If you answer no to any of the questions above, or do not receive acceptable answers from the salesperson, you should beware of both the financial representative and the investment that they are attempting to sell you.

Some additional warning signs that can help you identify a scam may be contained in the way the investment idea is presented to you. Remember, if it sounds too good to be true, it probably is. Examples of verbal warning signs are listed below:

- “I guarantee that you will profit from this investment”
- “There is no risk to this investment”
- “This is a limited-time offer available only to qualified investors”
- “Make the check payable to me”
- “I promise you rates of return unavailable through other investments”

If you hear any of the quotes listed above or feel pressured into investing, it may be a sign of an investment scam designed to take advantage of you and take your life savings. It is also important that when depositing funds into an investment account, you never give or send cash to a financial representative; instead you should use checks. Make sure the check is made payable to the brokerage firm or the clearing firm, if applicable. If you are uncomfortable about the offer or the salesperson, you should ask another financial professional for a second opinion prior to investing in the product or service.

Reporting a Scam

If you suspect that you are the victim of a scam or are offered an investment product that sounds too good to be true, it is important not only for your own protection, but also for that of others in your community, that you report the activity immediately. If you encounter activity that seems suspicious, within your community you can contact your local law enforcement officials to seek help. You can also call our firm for assistance in reporting a scam and to find out how you can protect yourself.

Outside of your local law enforcement agency, there are a number of organizations that you can turn to for help. These resources include your state regulatory body, as well as national regulatory organizations such as FINRA. You may reach FINRA by calling the FINRA Regulation Public Disclosure Program Hotline at (800)289-9999.

Older people’s organizations such as the AARP and the National Council on Aging also offer support to those who may be victims of financial abuse. These groups typically have toll-free numbers and websites so you can easily contact them to report any suspicious activity. We have also listed a number of helpful resources for you in the section below for your reference.

If you suspect that you may be a victim of financial fraud or abuse, do not feel embarrassed or afraid to contact a person or organization that can help you. Not only will you be protecting yourself, but you will also be protecting other older people in your community.

Keep Records Safe And Current

Every investor should keep their financial records and information in a safe place. A waterproof container or fireproof safe is a good place to store your most important financial documents in your house so they are safe in case of emergency or natural disaster, such as a hurricane, earthquake or flood. In addition, you should keep copies of those records in another secure location, such as in a safe deposit box at your local bank or at a trusted relative's house. Never give your information to a stranger. Access to your financial information is an open invitation for financial abuse by a scammer. Some key information that you should keep safe includes:

- Social Security cards and numbers
- Passports and government-issued identification
- A list of your financial institutions and your financial representatives
- A list of your account numbers for investment, bank, and credit card accounts
- Current account statements
- Any proof of financial and property records

In addition to maintaining physical copies of records, it may be prudent to have secure online access to any of your credit card, banking or investment accounts. Not only does this let you manage your accounts online, it also gives you access to many important documents, such as statements, transaction confirmations and account balances. If you do access confidential information via the Internet, make sure to use a secure Internet connection with virus protection and firewalls to increase the security of your online activity.

It is also essential that you keep all financial information current. This not only includes your investment and personal information but also information about account beneficiaries. If your financial situation is updated or beneficiaries change, it is important to communicate this to your financial representative and maintain records of such adjustments.

Resources

There are a number of resources available to you to better educate yourself on investing as an older person. There are general industry and regulatory websites that can help you understand investing in general, or you can visit sites that are specific to older people and investing. Often state securities agencies have information for residents of their states regarding investing. For your convenience we have compiled a list of helpful websites below.

Regulatory websites

Financial Industry Regulatory Authority — finra.org

New York Stock Exchange — nyse.com

Securities and Exchange Commission — sec.gov

Financial websites

North American Securities Administrators Association — nasaa.org

Securities Industry and Financial Markets Association — sifma.org

Federal Deposit Insurance Corporation — fdic.gov

Websites for older people

National Center on Elder Abuse — elderabusecenter.org

National Council on Aging — ncoa.org

AARP — aarp.org

Senior Navigator — seniornavigator.com

Conclusion

Our firm wants you to enjoy a happy and healthy retirement. Your financial health is an important aspect of your retirement, and it is important that you are aware of the many issues associated with investing as an older person in order to protect your hard-earned savings. If you have any questions regarding your investments or any of the issues in this guide, be sure to contact your financial professional.

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