

Office of Financial Institutions Securities Division

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www.ofi.la.gov/SecuritiesInvestorEd.htm



SENIORS!*

Protect Yourself From Securities Fraud

1. Don't be a "courtesy victim."

You may be from a generation that was taught to be courteous at all times to phone callers, as well as people who visit you at home. Con artists will not hesitate to exploit the good manners of a potential victim. You are under absolutely no obligation to stay on the telephone with a stranger or allow them in your home! It is not impolite to say you are "not interested" and hang up the phone, or ask a stranger to leave.

2. Say "no" to any advisor who presses you to make an *immediate* decision.

BEFORE investing, check out the salesperson, firm and the investment opportunity – even if they contacted you from out-of-state. Extensive background information on investment salespeople and firms is available by contacting the Securities Division of the Louisiana Office of Financial Institutions (OFI). Almost all investment opportunities must be registered for sale in the state in which you live, unless they qualify for an exemption. OFI can tell you if the investment opportunity is properly registered.

Before you part with your hard-earned savings, get written information about the investment opportunity, review it carefully, and make sure that you understand all the risks involved.

3. Always stay in charge of your own money.

A stockbroker, financial planner or telemarketing con artist will be more than happy to assure you that they can handle everything, thereby relieving you of the need to protect your own nest egg. BEWARE of any financial professional who suggests investing in something you don't understand! Take action to either educate yourself, or involve a family member or professional before trusting a stranger with your hard-earned money.

4. Watch out for salespeople who prey on your fears.

Con artists know that many Americans worry they will either outlive their savings, or see all of their financial resources vanish overnight as the result of a catastrophic event (i.e., a costly hospitalization). Remember that fear and greed can cloud your good judgment and leave you in a much worse financial status.

5. **Don't let embarrassment or fear keep you from reporting investment fraud or abuse.**

People who fail to report that they have been victimized in financial schemes often hesitate out of embarrassment or fear of being judged incompetent to handle their money. Some senior citizens have indicated that they fear that their victimization will be viewed as grounds for forced institutionalization in a nursing home. **If you think you have been scammed, the sooner you contact OFI for a confidential investigation, the greater the chance of stopping the fraudster and regaining some of your lost money.**

6. **Beware of "reload" scams.**

Most senior citizens have a finite amount of money that cannot be replenished in the event of fraud. The result is a panic that is well known to con artists, who have developed schemes to take a "second bite" out of senior citizens who already have been victimized.

Faced with a loss of funds, some senior citizens will go along with a new scheme (allowing themselves to be "reloaded") where the con artist promises to make good on the original funds that were lost, and even generate greater returns. Whenever a significant investment loss occurs, contact OFI to check out the person who invested your money before investing any *more* money.

7. **Monitor your investments and ask tough questions.**

Too many older investors trust unscrupulous investment professionals to make decisions for them, but compound their error by failing to monitor progress of their investments. Insist on regular written reports. Look for signs of excessive or unauthorized trading of your funds. Don't allow a false sense of friendship to keep you from demanding a routine statement of your accounts. If you suspect something is improper and receive unsatisfactory explanations, call OFI and make a complaint.

8. **Look for trouble retrieving your principal or cashing out profits.**

If you are stalled when you want to pull out your principal or profits, you may have uncovered a scam. Some kinds of investments have certain periods when you cannot withdraw your funds, but you should be made aware of these kinds of restrictions before you invest.

9. **Don't let embarrassment or fear keep you from reporting investment fraud.**

Con artists know that you might hesitate to report that you have been victimized in financial schemes out of embarrassment or fear. Con artists count on these fears preventing you from reporting fraud to authorities. Every day that you delay reporting fraud or abuse is one more day that the con artist is spending your money and finding new victims.

10. **Beware of offers to deliver papers for your signature, or pick up a check from you at home.**

Many con artists offer these services under the guise of "making it easy for you", when they are really avoiding possible charges of Mail Fraud. Using the mail for fraudulent documents is a federal crime – with heavy penalties. For your protection, use the mail.

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