Many common investment scams can be discovered and avoided. Below are **5 easy steps** you can take to lower your chances of becoming a victim of **FRAUD**.

Find out if the investment professional is registered in New Jersey to sell securities or provide investment advice by calling 1-866-I-INVEST or visiting www.NJSecurities.gov before you invest.

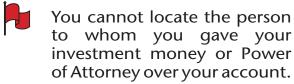
Review all of the information regarding the investment with a relative or person you trust.

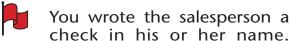
Allow yourself time before you make a decision. A scam artist will often try to rush you into making an investment.

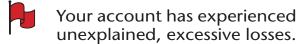
Understand the inherent risk and restrictions regarding your investment. Some investments are very risky and can tie your investment funds up for a long period of time. If you don't understand what is being sold, don't buy it.

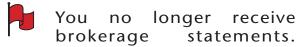
Don't become a courtesy victim. Many people who have become victims of elder fraud stated that they didn't want to be rude to the person soliciting the investment. Saying "no" is your best defense towards protecting your assets.

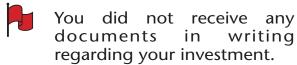
Below are some red flags to help you recognize if you or a family member has become a victim of elder fraud:











You signed investment documents that you did not understand.

You have added a new friend to a joint account, property title, will or mortgage, or given a new friend Power of Attorney.

IF A PROBLEM OCCURS

Don't be embarrassed if you are a victim of fraud. If you feel that you have been a victim of fraud or of abusive practices by a consultant, advisor, family member or friend, file a complaint with the Bureau:

Online: www.NJSecurities.gov
By Phone: 1-866-I-Invest



ELDER INVESTMENT FRAUD

The New Jersey Bureau of Securities ("Bureau") is committed to protecting our seniors from becoming victims of investment fraud. This reference guide will assist you in identifying the investor scams to which seniors are most susceptible, as well as give you tips regarding how to spot, stop and avoid becoming a victim of fraud.

New Jersey Bureau of Securities



If you are 50 years of age or older, you are part of a group targeted for investment scams. Financial fraud is one of the fastest growing forms of elder abuse, and it costs Americans more than \$2.6 billion per year. Approximately one in five Americans 65 or older – that's about 7.3 million senior citizens – have been victimized by financial fraud. Older adults are attractive targets for financial exploitation because they tend to possess more wealth than other potential targets – wealth that in many instances has been accumulated over their lifetime through hard work and conscientious saving. A decline in mental faculties for some seniors also makes them more vulnerable to fraud

COMMON SENIOR SCAMS

Seniors are often targeted through the Internet, mail, phone, in-home visits, and free "financial seminars" specifically tailored to large groups of seniors. While the sales pitch might change, the most common elder investment frauds tend to involve the following:

Unsuitable Investments: Seniors being placed in investments by unscrupulous financial professionals that are not suitable fortheirneeds orage. For example, annuities and private placements

are often inappropriately sold to seniors. These products may include significant penalties for withdrawing money before a certain date or for transferring the annuity to another, provide high annual expenses, and the loss of principal – leaving nothing for you to leave to your heirs.

Affinity Fraud: When a senior makes an investment because of a recommendation by a "trusted" friend based on similar age or background. There is nothing wrong with sharing an interest or affiliation with the financial professional with whom you are thinking about working. But be aware that there are some unscrupulous people who use those connections to reel you into their net. Consider that many of Bernie Madoff's victims were Jewish leaders and foundations who trusted Madoff because he was lewish too and seemed to understand their specific concerns and supported their causes.

Senior Designations: Seniors are often induced to invest by individuals who claim to hold a specialized license in managing the finances of senior citizens such as "Certified Retirement Planner," "Certified Senior Advisor" and "Chartered Retirement Planning Counselor." Call the Bureau at **1-866-I-Invest** to find out whether a given designation is legitimate.

Free Lunch/Dinner Seminars:

Seniors are invited to "Free Lunch" seminars where they are sold unsuitable investments. If you decide to attend these events, be prepared for what follows the meal. Don't confuse a sales pitch for good advice or education. Further, be cautious about recommendations made at these seminars. The presenter does not know you or your financial circumstances, and therefore is not in a position to know how you should be investing your money. Finally, **NEVER** provide personal information at these events. If you are interested in what has been presented, take the presenter's card and research his background and that of his firm by visiting www.NJSecurities.gov before taking any further steps.

Telemarketers: A senior who lives alone may be lonely and look forward to receiving telephone calls. He or she has time to listen and may consider the risk worth the cost of the companionship. Listen and learn if you wish, but be cautious. **NEVER** buy anything over the phone or provide any personal or financial information to a phone caller. If you are pressured in any way to answer questions or to accept an offer, simply say "No thanks" or "Goodbye" and hang up the phone.