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NEWS RELEASE

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Retirees Beware: That "Free" Lunch May Come at a High Price
Seminars and Abusive Sales Practices Increasingly Directed at Seniors

Boise, Idaho... Governor C.L. "Butch" Otter has declared April as "Financial Literacy Month." The Department of Finance will issue a "Tip of the Week" each week during the month. For a calendar of Financial Literacy Month events, visit the Department's website at <http://finance.idaho.gov>. or call (208) 332-8000 or Idaho toll-free at 1-888-346-3378.

From the "Greatest Generation" to the "Baby Boomers," seniors have worked hard to build both our nation's economic prosperity and a lifetime's worth of savings. Today's retirees have more than \$8.5 trillion in investible assets and over the next 40 years, they stand to inherit at least \$7 trillion. As a result, financial services firms are increasingly focusing their marketing and sales efforts towards senior investors as well as investors nearing retirement age. So, too, are criminals.

Gavin Gee, director of the Idaho Department of Finance, cautions investors to be wary of this targeted campaign. "Free meal" investment seminars, for instance, are sometimes just a means of finding older investors with assets." In fact, a 2009 AARP study found that 78 percent of people who attended such seminars expected to hear an educational presentation about financial issues. However, once at the seminar, half said they were asked for personal information; 46 percent said the presenter tried to make a follow-up appointment at their home; and 39 percent said the presenter tried to sell them something during or after the seminar. Gee said the potential financial impact of cases under investigation by the department ballooned into the hundreds of millions of dollars in recent years and virtually every enforcement action pursued by the department included at least one and often multiple victims of retirement age.

You can avoid becoming an investment fraud victim by following these self-defense tips:

- **BEFORE YOU INVEST, check out investments and those selling them** by calling the Department of Finance (208) 332-8004 or checking its website at: <http://finance.idaho.gov> .
- **Stay in charge of your money.** Invest only in things you understand.
- **Don't invest solely because persons in your church, club, association, workplace, etc., have invested and are making "extraordinary returns."** This could be a red flag for a "Ponzi" scheme and/or Affinity fraud.
- **Watch out for salespeople who prey on your fears or pressure you to invest on the spot.**
- **Don't make a tragedy worse with rash financial decisions.** The death or hospitalization of a spouse has many sad consequences - financial fraud shouldn't be one of them. Don't make emotional decisions.
- **Don't let embarrassment or fear keep you from reporting suspected investment fraud or abuse.**

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