

## Investment Fraud Scams on the Rise and Targeting Adults Age 60 and Older

As tough economic times continue, there are more and more scams and frauds targeted at retirees and older adults. Recent news reports about international investor frauds remind us that smart, wealthy, and savvy people can be taken advantage of—and lose a lot of money! The Legal Hotline for Michigan Seniors knows firsthand that Michigan residents are being targeted. For free help, people age 60 and older can call us at 800-347-5297.

Here are some tips to spot an investment fraud before you invest!

Be **extremely skeptical** if the person promoting the deal says, "Don't tell anyone else about this special deal!" or "I can only take a few investors." A legitimate investment professional won't ask you to keep secrets and will want many investors. Even if the seller and the investment are registered, it's always a good idea to discuss these sorts of decisions with family, a trusted financial professional, or the Legal Hotline!

**Turn the tables and ask questions.** A legitimate investment professional must be properly licensed, and his or her firm must be registered with Financial Industry Regulatory Authority, Inc. (FINRA), the Securities and Exchange Commission (SEC), or our state's securities regulator (the Office of Financial Industry Regulation—OFIR)—depending on the type of business the firm conducts. With very few exceptions, companies must register their securities with the SEC before they can sell shares to the public. Avoid "alternative" and unlicensed products! They offer no investor protection and are often scams or frauds.

**Verify!** There are free tools and services that you can use to check on financial services professionals and their products to be sure they are licensed. Michigan's Office of Financial Industry Regulation (OFIR) takes calls at 1-877-999-6442 or check online at [www.michigan.gov/ofir](http://www.michigan.gov/ofir).

Other resources

**FINRA BrokerCheck**  
[www.finra.org/brokercheck](http://www.finra.org/brokercheck)  
(800) 289-8999

**SEC's Investment  
Adviser Public  
Disclosure Database**  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)