

10 Tips to Protect Your Nest Egg

First the **bad** news: As an older investor you are a top target for con artists. The files of state securities agencies are filled with tragic examples of senior investors who have been cheated out of savings, windfall insurance payments, and even the equity in their own homes.

Now the **good** news: You can avoid becoming a victim by following 10 self-defense tips developed for seniors by the North American Securities Administrators Association, Inc.

- 1. Don't be a courtesy victim.** Con artists will not hesitate to exploit your good manners. Save your good manners for friends and family members, not strangers looking for a quick buck!
- 2. Check out strangers touting strange deals.** Trusting strangers is a mistake anyone can make when it comes to their personal finances. Say "no" to any investment professional who presses you to make an immediate decision, giving you no opportunity to check out the salesperson, firm and the investment opportunity itself. Extensive background information on investment salespeople and firms is available through the Financial Industry Regulatory Authority's BrokerCheck®.
- 3. Always stay in charge of your money.** Beware of anyone who suggests investing your money into something you don't understand or who urges that you leave everything in his or her hands.
- 4. Don't judge a book by its cover.** Successful con artists sound and look extremely professional and have the ability to make even the flimsiest investment deal sound as safe and sound as putting money in the bank. The sound of a voice, particularly on the phone, has no bearing on the soundness of an investment opportunity.
- 5. Watch out for salespeople who prey on your fears.** Con artists know that you worry about either outliving your savings or seeing all of your financial resources vanish overnight as the result of a catastrophic event, such as a costly hospitalization. Fear can cloud your good judgment. An investment that is right for you will make sense because you understand it and feel comfortable with the risk involved.
- 6. 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. Ask a con artist to describe his ideal victim and you are likely to hear the following two words: "elderly widow." If you find yourself suddenly in charge of your own finances, get the facts before you make any decisions. Local libraries and universities may offer classes and information on investing. Talk to friends, family, trade organizations, and state or provincial securities regulators for advice on locating a financial professional and checking their background. An insurance settlement may help with expenses but it also makes you an ideal target for fraud. Arm yourself with information and your confidence will send con men running.
- 7. Monitor your investments and ask tough questions.** Don't compound the mistake of trusting an unscrupulous investment professional or outright con artist by failing to keep an eye on the progress of your investment. Insist on regular written reports. Look for signs of excessive or unauthorized trading of your funds. Don't let a false sense of friendship or trust keep you from demanding a routine statement of your accounts.
- 8. Look for trouble retrieving your principal or cashing out profits.** If a stockbroker, financial planner or other individual with whom you have invested stalls you when you want to pull out your principal or profits, you have uncovered someone who wants to cheat you. Some kinds of investments have certain periods when you cannot withdraw your funds, but you must be made aware of these kinds of restrictions before you invest.
- 9. Don't let embarrassment or fear keep you from reporting investment fraud or abuse.** Con artists know that you might hesitate to report that you have been victimized in financial schemes out of embarrassment or fear. Con artists prey on your sensitivities and, in fact, count on these fears preventing or delaying the point at which authorities are notified of a scam. 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 "reload" scams.** If you are already the victim of an investment scam, don't compound the damage by letting con artists "reload" and take a "second bite" of your assets. Con artists know you have a finite amount of money.