



FOR IMMEDIATE RELEASE
Wednesday, Feb. 17, 2016

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TN Securities Division Offers 10 Tips to Protect your Nest Egg **Knowledge is Key to Fending off Con Artists**

NASHVILLE – The Tennessee Department of Commerce & Insurance’s (TDCI) Securities Division urges older investors to stay educated and informed to avoid the devastating effects of financial exploitation.

“The bad news is that older investors are top targets for con artists,” TDCI Assistant Commissioner for Securities Frank Borger-Gilligan said. “Our division has seen many tragic examples of senior investors who have been cheated out of savings, windfall insurance payments, and even the equity in their homes. The good news is that you can avoid becoming a victim by following a few essential guidelines.”

The Tennessee Securities Division offers older investors these tips developed by the North American Securities Administrators Association (NASAA):

- 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. Contact the Tennessee Securities Division at 1-800-863-9117 to obtain background information on investment salespeople and firms.
- 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 appear solid.

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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 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. If you find yourself suddenly in charge of your own finances, get the facts before you make any decisions. 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 artists 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.

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 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. 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. Faced with a loss of funds, some seniors who have been victimized once will go along with another scheme in which the con artists promise to make good on the original funds lost, and possibly even generate new returns. Though the desire to make up lost financial ground is understandable, all too often the result is that you lose whatever savings you had left in the wake of the initial scam.

For more information about how you can protect yourself from investment fraud, contact the Tennessee Securities Division at 1-800-863-9117 or visit [our website](#).

About the Tennessee Department of Commerce & Insurance: TDCI is charged with protecting the interests of consumers while providing fair, efficient oversight and a level field of competition for a broad array of industries and professionals doing business in Tennessee. Our divisions include the Athletic Commission, Consumer Affairs, Tennessee Corrections Institute, Emergency Communications Board, Fire Prevention, Insurance, Tennessee Law Enforcement Training Academy, Peace Officers Standards and Training, Regulatory Boards, Securities, and TennCare Oversight.

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