



Super Storm 2014: *Investment Scams*

Presented by

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Investor Education Trainer

Office of Financial Institutions (OFI)

Securities Division

**Who
do I call?**

Consumer Fraud

Attorney General's Office

Annuity Fraud

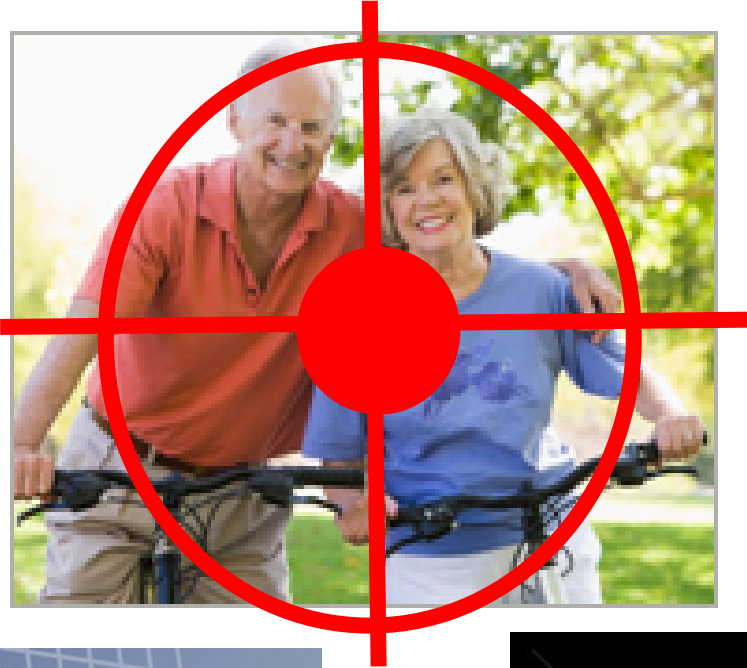
Department of Insurance

Investment Fraud

OFI



Investment Fraud Facts



Beware of Investment Scams Spawned From Disasters
Investor Alert on www.asc.alabama.gov

A hand holding a magnifying glass over a man in a suit with money floating around him. The background is a blue sky with a yellowish ground. The man is in the center, wearing a dark suit and tie, with his arms outstretched. Two hands are holding dollar bills, one on the left and one on the right, floating in the air. A large magnifying glass is positioned over the man, with a hand holding the handle on the right side. The text 'Regulation' is in a black box at the top, 'OFI' is in a white box in the center, 'Investigation' is in a black box below the magnifying glass, and 'Investment professionals & Securities' is in a white box at the bottom.

Regulation

OFI

Investigation

Investment professionals & Securities

OFI does **NOT**

-  Offer investment advice
-  Conduct a full investigation if a security just performed poorly
-  Make arrests
Prosecute cases
Get **\$\$\$** back
-  **Sell anything!**





Changing Weather Conditions

www.fbi.org

Born between 1946 – 1964?

78 million Baby Boomers

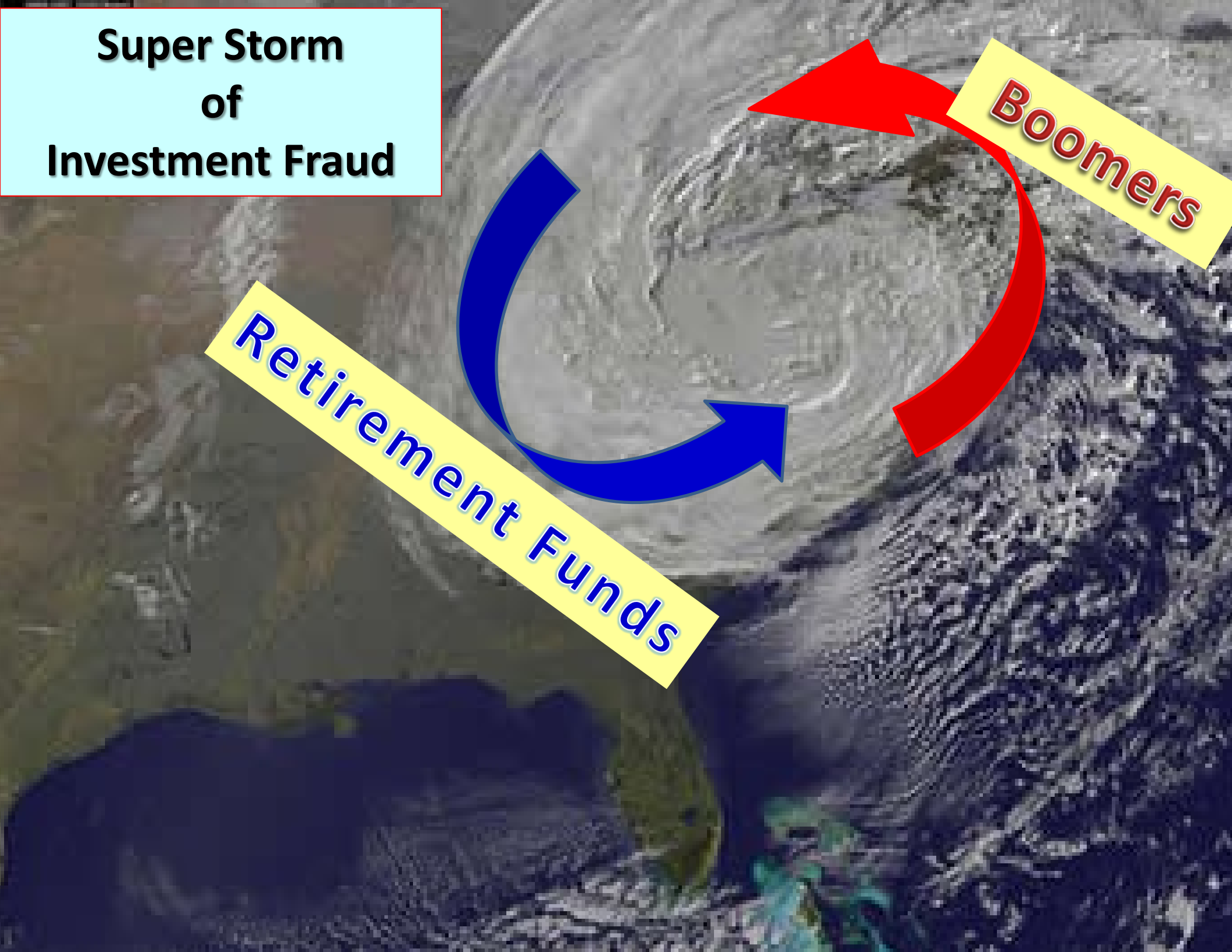
- **Oldest “Boomers” started turning 65 in 2011**
- **8,000 people per day turning 65 through 2027 (AARP)**



Super Storm of Investment Fraud

Retirement Funds

Boomers









Matthew Pizzolato
26, Tickfaw

175 victims for \$19,062,328

Sold "Certificates of Deposit"



\$35K



30 year federal sentence

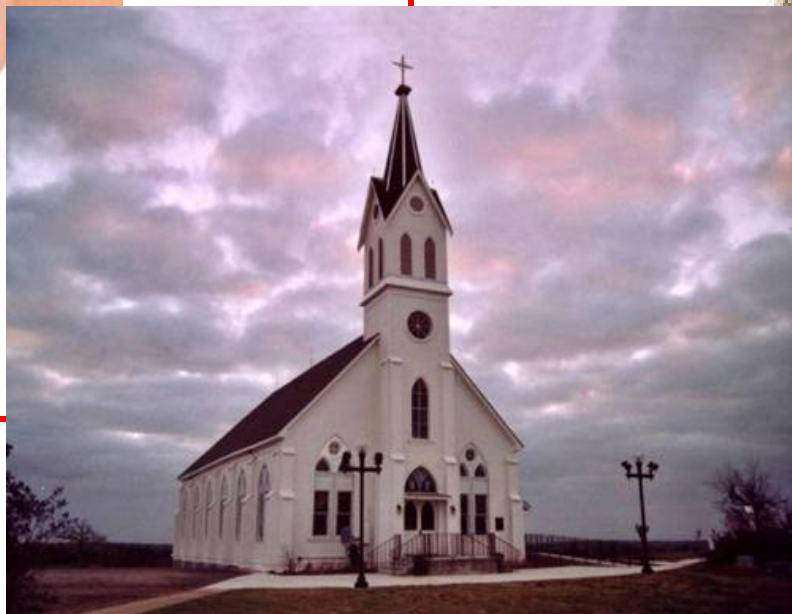
#1

Wake Up





55+



Victim Profile

(Nationwide) Senior Fraud Risk Survey

www.saveandinvest.org

- ✓ 55-65
- ✓ Married
- ✓ 2/3 male
- ✓ \$50K average
- ✓ College-educated
- ✓ Recent negative life event
- ✓ Above-average financial knowledge



#2

Wise Up



The “holy trinity” of Investing

High profit



Liquid

Low risk

Affinity Fraud



➤ Join a group, using referrals to sell *within* the group

- Ethnic
- Social
- Religious

Greater Ministries International – FLA ('93-'99)



God's Social Security

- **18,000** victims lost **\$500 M**
- **5** key players sentenced to **13-27** years

Free Meal Investment Seminars



- Professional sales presentation
- Personal appointment later



Ponzi Scheme



Bernie Madoff, former NASDAQ Commissioner

Swindled victims for decades out of \$65B

Who wants to be a **MILLIONAIRE?**



Lexus!



Country Club!



Mardi Gras Krewe!



Queen?



On Handout

Office of Financial Institutions

John Ducrest, Commissioner

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Agents for Service

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Consumer Loan Brokers
Insurance Premium Financing
Licensed Lenders
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Pawnbrokers
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Payment and Small Loans)
Repossession Agents
Residential Mortgage Lending
NMLB

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Opinions
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Investor Education

At no charge to you!

Background Checks (i.e., *CRD Reports*)
on investment professionals registered with OFI

Investor Alerts

Do Not Call List

Free Tools
& Resources

Investor Checklist

Fraud Awareness

Conversation Starters

Complaints

[Return to Securities](#)
Updated December 04, 2013

Investor Education ...at no charge!



On Handout



Referrals for Speaker on *Evaluations*

#3

Check Up

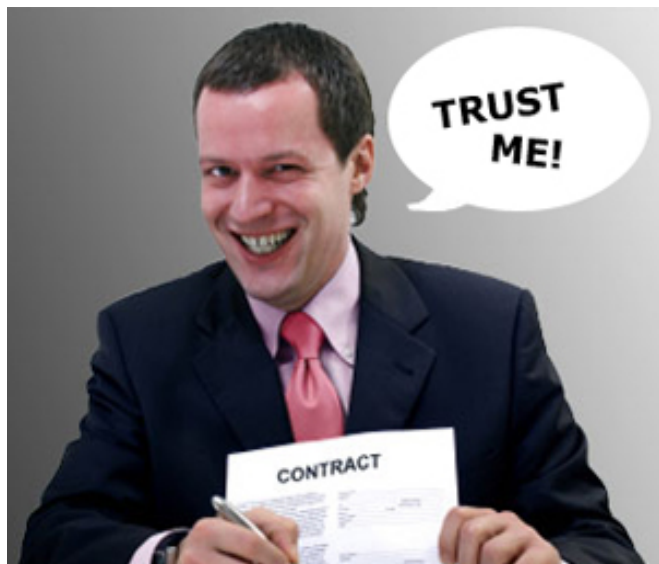
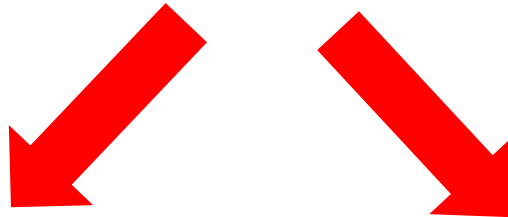




NASAA's 2010 Enforcement Survey

www.nasaa.org

Felony



Contact OFI for details on **Exemptions**



**Check out the promoter
before investing**

On Handout

**Send OFI a written request for a FREE C.R.D. Report
(Central Registration Depository)**

- **Background**
- **Certifications**
- **Pending arbitration**
- **Criminal history**
- **Employment History, including:**
 - ❖ **Terminations**
 - ❖ **Disciplinary Actions**
 - ❖ **Customer Complaints**

Note: Exemptions to Registration



Can't
Remember
Details

Details on Handout

Investigate BEFORE you invest!
Office of Financial Institutions

