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How to protect your money from scams

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I'm writing this on my way back home from an investment conference in New York City. It was my first time in the Big Apple, and I can certainly say that city is one of a kind! From the Statue of Liberty, to Central Park, to hot dog street vendors, to shockingly fast taxi rides, to Wall Street, I soaked it all in.

One of the moments that sticks out most in my mind, however, came during our first day of meetings. Our speaker reviewed Bernie Madoff's ponzi scheme, how many investors were involved, how much money they lost, and, most importantly, told stories of those involved that he knew. He told us how their lives were changed forever.

It was a reminder to me that we need to always be on the guard against people who want to scam us out of our life savings. With that in mind, let's review a few of the most important items to watch for with your savings and investments:

1. Unregistered products – Many investment scams involve unlicensed individuals selling unregistered securities such as notes, oil deals, or fictitious instruments, such as prime bank investments. Reputable offerings are almost always offered from one of three broad types of institutions: banks (or credit unions), insurance companies, or brokerage (this includes direct investments that could be held in a brokerage account such as mutual funds).

2. Overly consistent returns – An investment that consistently goes up month after month should raise suspicions.

3. Missing documentation – If someone tries to sell you an

investment with no documentation, he or she may be selling unregistered securities. If the investment has any risk of principle, the seller should provide you with a prospectus. If there is no risk of principle, you should be able to obtain information about the bank or insurance company offering the account.

4. A pushy salesperson – No reputable investment professional will push you to make an immediate decision or tell you that you have to "act now." If this happens to you, it's most likely a sign to steer clear of the investment altogether.

Most importantly, if you are considering a savings or investment vehicle and you have any concerns regarding its legitimacy, consult with a qualified professional you can trust. Most advisors like myself are always willing to take a few minutes to review prospective investments and answer your questions about them. Taking that one extra step just may help you protect your hard earned money from being stolen from a scam artist.

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