



Jesse White

SECRETARY OF STATE

NEWS

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Jesse White Offers Tips for Safe Investing This Season

Secretary of State Jesse White cautions investors not to let the spirit of giving and good tidings lead them into risky investment schemes this holiday season.

Secretary White's Securities Department receives hundreds of complaints each year of investment fraud and, unfortunately, con artists do not take a holiday from scamming consumers.

Some criminals appeal to investors' holiday spirit and generosity to solicit them into phony investment schemes. Others pretend to help investors prepare for financial challenges in the wake of higher prices, a volatile stock market, lower housing values, and a declining dollar. Con artists may also promise investors alternative investments alleging they will result in income tax benefits.

Many other investment scams originate with free holiday lunch or dinner investment seminars.

"If you attend a seminar, don't fall for high pressure sales pitches," Secretary White cautions investors. "Call my office before investing."

White's Securities Department provides free information regarding the registration status and disciplinary history of brokers and investment advisers.

A recent examination of 110 free meal seminars by state securities regulators, the Securities and Exchange Commission, and the Financial Industry Regulatory Authority found that of the percent that were actually sales presentations half featured exaggerated or misleading advertising claims and one-quarter involved possibly unsuitable recommendations.

White offered the following tips for investors to protect themselves and their money from scam artists this holiday season:

- Never give your Social Security number, date of birth or credit card numbers in response to unsolicited e-mail messages or "cold callers" over the phone – no matter how good it sounds.
- Don't make quick and risky investment decisions based upon sales pitches that refer to great deals that will be offered for a limited time or those that offer year-end tax advantages. This is a favorite time for criminals to roll out various income-tax avoidance schemes.
- Even though the holidays are a busy period, investors should find the time to research investment opportunities – and those who offer them.
- Before investing, call your local securities agency to learn more about the salesperson and the investment product. Be sure to ask if they are registered to do business in your state and if the investment is allowed to be sold. If one or the other is not registered, it is a sure warning to inquire further. Don't take the word of a salesperson. Check out the investment yourself.

For additional information, contact the Secretary of State Securities Department at 800-628-7937 or visit www.avoidthescam.net.

