

STATE OF NEBRASKA



Dave Heineman
Governor

DEPARTMENT OF BANKING AND FINANCE

John Munn

Director

Commerce Court, Suite 400
1230 'O' Street
Lincoln, Nebraska 68508-1402

DATE: October 29, 2008

CONTACT: Patricia A. Saldana-Neumann, Public Information Officer
Nebraska Department of Banking & Finance

FOR IMMEDIATE RELEASE

PHONE: 402-471-3222 **Email:** pat.saldana@nebraska.gov

Nebraska Department of Banking and Finance and AARP Team Up to Offer *Free Lunch Investment Seminar Monitor Program*

Lincoln, NE, October 29, 2008 – With fraud and scams on the rise, older Nebraskans remain a primary target for unscrupulous promoters of investment schemes. The Nebraska Department of Banking and Finance is working with AARP in a new initiative designed to give individuals an opportunity to fight back by reporting questionable investment practices in their communities to the state securities regulator for investigation.

The Department's participation in the *Free Lunch Investment Monitor Program* is part of a national campaign launched by AARP and the North American Securities Administrators Association to monitor whether investors are being pressured into purchasing inappropriate or unsuitable investments.

Investment seminars are legitimate sales practices. However, some seminars may involve fraudulent sales practices, fictitious products and misrepresentations of risk and return. Invitees are enticed to attend a seminar with a free meal after they sit through a sales pitch. If the hard sell does not come during the presentation, it can happen later with a follow-up phone call or an in-home visit.

Should an individual choose to attend a free lunch seminar, they can bring a checklist with them to help assure that both the products promoted at free investment seminars, as well as the promoters, conform to securities laws and regulations. Information from the checklists will be forwarded to individual state securities regulators for evaluation.

A recent year-long examination of free lunch seminars conducted by state securities regulators, the Securities and Exchange Commission, and the Financial Industry Regulatory Authority found that while many free meal financial seminars were advertised as "educational," or "workshops," 100 percent of the

“seminars” were instead sales presentations; 50 percent featured exaggerated or misleading advertising claims; and one-quarter involved possibly unsuitable recommendations to attendees.

“Instead of unbiased financial education and a meal, many free-meal seminar attendees are being fed a hard sales pitch for investment products that are often unsuitable,” said Jack Herstein, Assistant Director of the Banking Department’s Bureau of Securities. “We appreciate the opportunity to work closely with AARP and its membership to put unscrupulous salespeople on notice that the victimization of senior investors will not be tolerated.”

“AARP strongly encourages older Nebraskans to consider volunteering for the innovative *Free Lunch Monitor Program*,” said AARP Nebraska Director Connie Benjamin. “State regulators sit in on presentations as they are able, but with small staffs and a large number of seminars offered daily, their reach is limited. Volunteers perform a vital public service by alerting securities regulators and consumers to potential investment scams and fraud.”

For more information about the *Free Lunch Monitor Program* and to download the monitor checklist, please visit www.aarp.org/nofreelunch.

#####