# Ep. 4: Protecting Against Elder Investment Fraud and Exploitation

## June 21, 2021

**Music & Legally Qualified Intro Voiceover:** Welcome to RumbergerKirk's Legally Qualified Podcast, where we answer important questions facing businesses today and discuss hot topics in the legal industry. From employment law to commercial litigation, product liability and everything in between, we've got it covered.

**Pete Tepley:** Hello, and thank you for joining us today. I'm Pete Tepley. I'm a commercial litigator in RumbergerKirk's Birmingham, Alabama office. I represent securities firms and registered persons in FINRA arbitrations in state and federal court. I handle a variety of matters, from customer complaints to employment disputes to industry disputes.

And today on Legally Qualified, we're going to be talking about elder investment fraud and exploitation. Joining me is my law partner, Rebecca Beers. She's also a commercial litigator in RumbergerKirk's Birmingham office, focusing on securities litigation. And Rebecca is also a member of the American Bar Association securities litigation subcommittee on senior and vulnerable investors.

**Rebecca Beers:** Thanks, Pete. Happy to be here with you today.

**Pete Tepley:** I'm also thrilled to welcome to Joe Borg of the Alabama Securities Commission. Joe's been serving as our securities commissioner for 27 years. Joe is a three-term past president of the North American Securities Administrators Association, known as NASAA. And he's also testified on a number of occasions before Congress on securities and investment matters. So thanks a lot for taking the time to talk with us today.

**Joe Borg:** Well, thank you very much. It's an honor to be with you all today.

**Pete Tepley:** And as you both know, we've been seeing an increase in elder investment fraud and exploitation. I've seen it happen in my own family. In fact, I've heard that every day in the United States, 10,000 people turn 65, which is an astonishing number, if you think about it. So why don't you take some time and tell us about your responsibilities and those of the commission and what you all are seeing with regard to elder investment issues and abuse?

**Joe Borg:** Well, certainly, Pete. Let's set the table a little bit. You know, back before 1990, I'd say one out of ten folks in the country were actually in the financial markets, mostly – we were more of a nation of savers. Now we're more of a nation of investors. Got technology and whatnot. Now, the Securities Commission basically licenses and registers professionals, you know, investment advisors and brokers and things of that nature, and make sure that the offerings that are out there that are being sold are suitable and, you know, legitimate. But as you know, whenever it comes to fraud, the fraudsters go where the money is.

So let's consider where we are in the United States today. For example, we know by statistics that 10,000 people a day are turning past the age mark of 65. We also know that those older folks usually have most of the assets. They have money in the bank. They have assets in their homes. This makes them ripe to be the primary target of fraudsters.

Let's also consider for a second that the political climate is that – who votes? Mostly those over 60. They're available. They're interested. They're engaged. Legislators know that. And with the numbers of those voter bloc rising, they pay more attention, which means organizations like mine, where we propose new laws such as, you know, greater penalties for those who do financial abuse against seniors or, for example, that we'll be talking about our Vulnerable Adults Reporting Act, where broker dealers and IAs are mandatorily required to report to the Securities Commission when they suspect that there's financial abuse going on –

All these things combined together in our agency has now set us up with programs where we have intake. We work with the Department of Human Resources, which is our Adult Protective Services in the state. We have reports that come in on a regular basis. We have to interview potential victims.

And then, of course, you've got the internet. Now, let's face it, folks. During this pandemic for the last 14, 15 months, most of our seniors can't see their kids, can't see their grandkids, can't go outdoors. Things are loosening up now with the vaccinations, but for the last year and a half, it's been absolutely horrible for folks who are stuck in their apartments and their homes without being able to see anybody. And for seniors, that really is a problem.

So what happens? Well, I'll give you an example. My 92-year-old mother, we've taught her how to use a laptop. Yes. So she's on there with social media. You know, grandkids, send them pictures through Facebook and some of the other programs, and she's gotten pretty good at it at age 92.

Well, you know, the one thing we have a problem with, of course, is the Internet's like a big city: it's got good neighborhoods and bad neighborhoods. And a lot of our seniors have no idea where the good neighborhoods are, where the bad neighborhoods are, and what their parameters are of cybersecurity.

So the crooks have gotten really sophisticated. We'll talk a little bit maybe about a case, if we have time, where these crooks actually targeted—here's the criteria—conservative, Christian, they watch Fox News, and specifically a particular show. And then when they isolate that group of seniors, that's when they target them with financial products. Our job—identify, protect, and when necessary, prosecute those folks that go after our seniors.

**Pete Tepley:** Thanks, Joe. It sounds like from what you're saying that there's some pretty sophisticated fraud attempts going on out there. Can you tell us a little bit more about that case you were just mentioning where it was really targeted to specific elderly investors and how that worked and how the people were ripped off?

**Joe Borg:** Oh, sure. So for example, in this particular case – it was a precious metals case. These folks out of California had a very large operation. And, actually, they took in close to 200 and some odd million dollars primarily, almost exclusively, from seniors' retirement accounts. And what they did was they targeted these folks with their Christian values and what TV shows they watched and what their conversations were. Most folks don't keep their conversations private. It's all over there for anybody to say.

So during the pandemic, these folks went out there, contacted all these customers, potential customers, these seniors, and told them with the market crash, aren't you worried about you're going to outlive your money? What about medical costs? What happens if the pandemic gets worse?

And what they do is they build up a conversation. In time, they talk about Christian values. They talk about conservative values. They talk about, oh, their favorite folks on TV. And they convince them to move money from, say, IRA accounts, retirement accounts to move it to self-directed IRA. It's just like an IRA. You just direct it yourself, though. Self-directed IRA. Most folks have no idea what the difference is between a regular IRA that's got some government controls and a trustee and, you know, a custodian and a self-directed IRA, which still has a custodian, but they have no responsibility.

These folks then had them move the money into these accounts and purchase their product, which happens to be gold and silver coins and things of that nature, precious metals, commodities. Except the markups on that were anywhere from 40% to 70%, which means for every $10,000 you moved into this new product, you immediately lost half or more. And consider that type of a fraud. The impact is devastating on our seniors.

But look, there are other frauds out there: COVID-19 fraudulent vaccines, things like, you know, invest in my new technology to deliver vaccines or whatever it might be. There are even lots of things like, well, we have new medical technology that's going to revolutionize the industry going forward for seniors, and put your money here. Again, targeted a lot to seniors, their concerns over the net and moving their accounts. So these are what we saw in the last 18 months.

Do you know that when this all started and cryptocurrency was really one of those big things that everybody heard about, cryptocurrencies were being pushed on seniors as the way to hedge against the coming collapse of the economy? Two hundred thousand websites were created between January and April of 2020, 2000,000 new websites that had the term cryptocurrency, safety, investment, make money, and whatnot. And this was targeted. Of course, about 100,000 of those websites never got off the ground, but consider 100,000 websites that are now targeting everybody, specifically seniors in a lot of cases, and pulling money out of their accounts.

So we had a lot of this going on, a lot of cases. In fact, we had – at one time, we had 144 investigators working around the country and Canada and Mexico just going through websites to stop them. And with the help of our friends at, you know, Facebook and Google and social media, we – as fast as we could rip these things off the net, new ones would pop back up. But that's the scenario we saw in 2020 going into 2021.

**Rebecca Beers:** Wow, Joe. Thanks so much for sharing that with us. And that's really just distressing to think about our aging population, our seniors being vulnerable to such targeted scams like that. Another concern that I know has been identified recently, in addition to these frauds that are targeting seniors, are potential investment issues related to an aging population. That's seniors who may have health issues that come with aging. For example, dementia and other reduced mental capacities of seniors. Can you talk a little bit about some challenges that the investment industry faces with identifying issues with seniors who may, you know, be aging and potentially losing control of their mental faculties as it relates to their investment accounts?

**Joe Borg:** Rebecca, that's an interesting topic because we're seeing that more and more over the past few years. So let's start with this. An investment advisor may get a call or a broker may get a call from somebody, and all of a sudden, they want to move $20,000 because they want to take it out of retirement and send it to who? Oh, you know, their new best friend in Nigeria who's going to give them a piece of a $25 million transfer at some point in the future. Anything like that where there is some mental issues, some diminished capacity, perhaps Alzheimer's, maybe just dementia, crooks will take advantage of this.

You know, I had a criminal one time who described his method of fleecing seniors to a degree, an advanced degree in psychology. And what he would do very simply was he would call somebody, he would talk to them for a while, not sell them anything, realize one, they're lonely; two, there's nobody around; three, they've got some assets. And he would ask them a series of questions and keep records and whatnot. And he could tell where they were on the dementia scale.

And then after he got to trust them and, you know, things of that nature, then he'd called them up one day and say, "Joe, I bought those oil well gas leases for you. They're $25,000, and I didn't get the money. And gee, you know, you're sticking me with this, and I need to get that cash in here." He testified that eight out of ten times he could get them to send that check…

**Rebecca Beers:** Wow.

**Joe Borg:** ...because they couldn't remember, and he was that good at it. Now, what do we see from investment advisors, and what are the state securities regulators doing? And what are the federal securities regulators doing? For the last number of years, there's been a big push as the population went up and people started to realize that not only was financial abuse increasing but that there's been a decline in financial acuteness as people get older. A lot of states have passed new laws.

For example, in Alabama, we have a law that basically says financial professionals—that would be investment advisors and broker dealers—who suspect that financial abuse has occurred, is ongoing, or is about to occur must mandatorily report to the Securities Commission and Department of Human Resources. It's really easy, actually. It's a one-page form with one-button click. Fill in the information, and it automatically transmits to my department and the state health department. At that point, an investigation opens up.

Now, part of that law basically says, "Look, guys, we understand that these are your clients, but you now have the authority to hold the funds, which means you don't have to let that money go out." In exchange for that, you're also going to get qualified immunity, which means you're not going to get sued for doing those kinds of actions because you've breached some sort of confidentiality or, you know, privacy type concerns. So there's protections for the industry and protections for the customer, which, of course, we have found, since we've had this law since 2016, has worked very, very well.

Most of the big firms now have systems in place to review that and get that information to the various state securities regulators. And now, as of a year ago, we now have a federal law that basically does the same thing.

But I think that those in the audience that are financial professionals need to realize that there are three sets. You've got the state securities regulators. Now 30-some odd states have that law. You have the federal law that the SEC looks at, the Senior Safe Act. Now, that one's not mandatory reporting. That's voluntary reporting but has a training component requirement for the firms. Then you have the FINRA rule, which talks about trusted contacts and that sort of thing. But be aware that they're not all the same.

And so those in the financial industry need to be aware that, for example, if I have a mandatory, it's not voluntary. You have to report. You do get the qualified immunity. If you follow the FINRA rule, which is very similar to ours, you don't get the qualified immunity if you don't pull the trigger on the state because FINRA is not a governmental entity. Therefore, they can't give you qualified immunity, even though a lot of the stuff is the same. You do get qualified immunity on a federal level, but it's not voluntary, and there's a mandatory training program. So there are laws out there.

In addition to that type of law, we have seen and have passed enhanced penalties for crooks. Statute of limitations now from claims, say, for securities fraud—that is, deceptive practices or theft—used to be a three-year statute. Now it's five years from date of discovery, which means it has a very long statute. As you can see, legislators are passing more and more laws to protect seniors. Well, that goes back to what I said earlier about the political bloc and the voting and everybody getting older and whatnot.

So you have to look at the various state rules and regs to make sure that you're in compliance. You will find that just about every state that I've talked to, like ours, all you got to do is pick up the phone and say, "Hey, I need some guidance on this, that, or the other thing."

In fact, on our website at www.asc.alabama.gov, you can pick up a copy of what's called our Guidelines for Financial Professionals. This is both for IAs and BDs, which includes here's what the law is, here's what to look for, here's some red flags, here's how it works, here's how you report. It's about 15, 16 pages, but it's good, free information on how to bring yourself up to speed on what the new regulations are.

**Pete Tepley:** Thank you, Joe. And I want to talk just a little bit about if I'm a financial advisor and I really think someone's trying to get me to move money to a place like, say, you know, to a prince in Nigeria for investment in a gold mine or something, and I'm concerned about that. I believe what you said is there's – I'm required to report that, but there's also I have the ability to delay the disbursement. Tell us a little bit about how that delay would work so that the money doesn't go out.

**Joe Borg:** Sure. Now, originally in 2016, when we – we were one of the very first states – we may have been the first or second state to actually pass that new law. Now, like I said earlier, there are now 30-some odd states that have something similar.

Our original law was you could do the transaction, but you can hold the money. In other words, you don't have to send the money overseas, but you may have done the trade if they wanted you to liquidate something. That has now changed.

The reason we did that in 2016 and limited to disbursements as opposed to holding the transaction was we had not yet gotten any clearance or advice from the SEC whether or not a broker dealer or transaction financial specialist would be in violation of best execution if they held a transaction, didn't do it, then prices went up. Seems like that's all been resolved. Most of the new laws now say you can hold the transaction and the disbursement. While we have not changed our statute, we have pretty much told everybody and issued an informal opinion. Basically says, "Yes, that includes transaction as well."

Now, that gets triggered when you do the report, which means you do the report, you get your qualified immunity and the powers to hold the transaction or the funds. And the reason why there's a difference between transaction and funds is capital gains tax. We had one situation of a lady that moved about $20 million. He was going to move, which to her was not exactly a great amount of money, to be honest. But it turns out that the funds involved were an old legacy stock.

We may all know about Berkshire Hathaway. Well, she had some of the original, original, original stock, which means that out of $25 million, I think 24 and a half was all profit. You figure the 15% capital gain on that. So – and the IRS does not retroactively undo their tax liability, so that's why transaction hold might be important in some cases.

When you trigger that, there's a time period, and you'd look at it 15 days in most states to hold the transaction. However, you can always request an extension. So if things are still progressing, the investigation is still going on, I as the securities administrator for my state can say, "Okay, I'm going to add another 15 days to that until we get this investigation done."

So what happens? Look, in a lot of these cases, it's an investment advisor or a stockbroker who says, "Well, you know, Mrs. Smith has been taking out $5,000 a month to live on, and everything's fine." All of a sudden, she's gone to $5,000 a week. That is a triggering event that goes, gee, I wonder what has happened. And they start looking, and it's going on cash. She's not answering questions. You know, money's being transferred to her grandson's account. She won't come in and talk to you. She keeps saying it's for something else.

These are all indices, you know, red flags of something's wrong. That – at that point in time, the state, when you trigger that report, has the right to say, "Okay, let's take a look." DHR, for example, will go out and make a determination. Yes, this lady's, you know, disheveled. Somebody's taking advantage of her. They can actually put in a guardian in place, a trustee, guardian, maybe bring somebody in from her family. That's why the trusted contacts that FINRA is pushing and the states are pushing are so important.

But the idea is that it is the financial professional's opinion. In other words, if you read the law carefully, it says when a financial professional believes that something's going on. You don't have to prove it. You believe based on the facts and circumstances that are before you and your history with your client. That's enough to trigger a report. Don't forget, you get the qualified immunity. And then it'll be investigated by the state securities regulator. It'll be investigated by the Adult Protective Services, and then, you know, further information may be requested. But you're saving the account.

Now, why is this important to the broker dealer community? Say, “Oh, there’s more regulation, more stuff.” Let's consider where claims are being filed when there's a problem such as this. Let's assume a $1 million dollar estate by Mrs. Smith, the, you know, person I'm just making up, and the money keeps going out. And nobody triggers anything. Nobody says anything. And then she dies.

And then the beneficiaries come and go, “Wait. It was a million-dollar estate. How come it's down to $100,000? What happened to the $900,000 worth of mutual funds, stocks, bonds, whatever it may be?” “Well, she kept sending money to Nigeria or – she just kept taking cash out. We don't know where it went.”

Historically, the courts have said, you know, “Okay, well, broker dealer is not responsible.” But we have seen situations now where the courts, again, think of the political issues, think of where the population is, taking what legislators are trying to do, who they're trying to protect. And now the courts are saying, “Wait, let me get this right, Mr. Broker Dealer Agent. This money was going out. You saw that, right? You saw that there was a change?” Well, yes, how can you deny that when it goes from, you know, $3,000 a month to $20,000 a month?

“And you didn't get any information, and you're the only possible person who could have seen that because there was nobody else on the account. You didn't contact anybody.” There's no trusted contacts back then, so therefore, you were the only person who could have stopped this fraud from going on. And you as a financial professional did nothing. We're starting to see courts taking a position that yes, you may be liable for that. So this is also in protection for the financial professionals who have these accounts. And I think that's something that all the firms need to consider.

Now, the bigger firms already have in place uploading systems. So if I'm a financial advisor with XYZ Brokerage, and I have one of those situation, I immediately call the legal department or compliance department, whoever, and they usually do the reporting. The smaller folks usually do it directly to us. That would be the smaller IAs and maybe a mid-tier or a lower-tier broker dealer who doesn't have quite that sophisticated system.

Some have made arrangements with their clearing firms if they're in the IA sector to help them with making those reports. The bottom line is this, that there are some states that are mandatory, some states that are voluntary. But there's another reason you want to do it: because it may insulate your practice, your firm from potential liability down the road if it's determined it was such an obvious fraud and you did nothing about it.

**Pete Tepley:** That gives some good advice to the firms and folks listening out there that – you know, of ways they can use these laws to protect their business as well as their clients. And I appreciate that.

And, Rebecca, what's some of the stuff that's being discussed at the ABA securities litigation subcommittee on senior and vulnerable investors?

**Rebecca Beers:** Thanks for asking that, Pete. So the ABA subcommittee on senior and vulnerable investors is trying to do a good job of tracking just the kind of things that Joe's talking about. Like Joe mentioned, there are different regulatory schemes at all different levels, at the state level, through the federal level, through the Securities and Exchange Commission, and also through FINRA.

So what this subcommittee on senior and vulnerable investors is working to do – one of the primary things that we're doing is putting together an annual survey of elder abuse litigation. So this would track on a yearly basis for both, you know, investors and also for securities professionals—that will be in-house professionals and also for securities law practitioners—which will be a survey of court decisions, arbitration awards, and significant regulatory actions that involve elder abuse.

So this would look at how, like Joe mentioned, how courts are treating these types of cases, the types of regulatory actions that states and other regulators are engaging in and really trying to help the industry and also practitioners, you know, understand the litigation trends, the regulatory action trends so that these issues can better be addressed, so those of us in the industry know where the litigation is going and, you know, the types of scams that are out there so that securities firms can be on the lookout and know how to prevent that type of activity.

**Joe Borg:** Let me add also I would recommend that those in the financial industry might also want to look at the NASAA website: www.nasaa.org. There are certain tabs that say for broker dealers, for IAs. There's copies of statutes and regs and other opinions and other things of nature that would be of help. There's also a section on the committees. The committee that looks at vulnerable adults is a continuing committee. It's made up of not only state securities regulators but folks from the industry, members of SIFMA, and others, such as education specialists and things like that. It might also give some help on what's out there.

Remember, also, that the Senior Safe Act requires a training program. The state statutes do not. In our state, for any broker dealer or IA that needs a training program, we're happy to help put one on. We do that several times a year. Certainly not during the pandemic. We couldn't do one in person, but we usually hold them in Montgomery. Any firm that's interested or any of your clients that are interested in some sort of training along that line, we'd be more than happy to put a little group together and conduct that training.

**Pete Tepley:** Well, thank you, Joe.

**Rebecca Beers:** (Inaudible) Joe.

**Pete Tepley:** That’s good to hear. Just as we wrap up here, Joe, what's some key advice that you might give to financial firms related to, you know, elderly exploitation and fraud, some key things that they ought to be thinking about?

**Joe Borg:** Well, the first thing is, of course, they have to know their customer. They need to know their customer’s habits, their assets. And that's part of their job anyway, to do that. And I think some of the key things is to – if they haven't already gotten trusted contact information, especially in older folks’ accounts, when it wasn't really, you know, the thing to do, they need to go ahead and do that.

Certainly, how you approach that is always an issue. I know when I've done training programs, they were like, “You know what? My clients – I'm afraid a few of them are going to get offensive. You know, they’re going to take it as offensive if I say, ‘Well, you need to put somebody on the account.’” But there are certain ways to do things like that.

For example, in one of the smaller communities, we suggested, look, there's always something that's going on. So, like, if you're having a chat with Harry one day, and say, “Oh, man, did you hear about, you know, old Syd down the road? You know, man, he got in that car wreck, and he's in the hospital.” And, you know, everybody knows everybody in these smaller communities. “Yes, and I've got to – you know, now I've got to figure out how I'm going to do this because everything was in his name. And, you know, his wife's got to pay bills and things like that.”

And that's a good way to segue into look, if something were to happen, who do you want me to call? Of course, they’re usually going to say the wife, my son, my daughter, whatever. And that's a good time to start that conversation. “Hey, let's take care of that right now.” So we understand that's a sensitive area for those that already have accounts where there's no trusted contact, but that's important to have.

Look, the other thing is there are resources out there from Adult Protective Services and state securities regulators that if you run into a situation, there's nothing wrong with calling up and saying, “I think I have an issue.” All the state securities regulators – look, I think it's important to note I as the commissioner of securities in Alabama have several constituents. One is the public, right? Got to protect the investors.

But I've got 160,000 folks that are licensed with me. I have a responsibility to them as well, and that is to help them get their practices – keep within the law but help them make their practices grow. God knows I need all the good professional financial advisors I can get to help my population reach retirement and safety and, you know, younger folks to safer houses and whatever it might be.

So some of the things they can do, sure. Keep abreast of what's going on, the laws too. Know your customer. Make those contacts. Keep notes every time you have a conversation, especially if there's something unusual. It may be unusual the first time and like, “Okay, that's a good excuse.” What about the second time and the third time?

Is there something in the appearance of the person that has changed? For example, case up in Birmingham. Financial advisor called us up and said, “I've got a problem. I can't get Mrs. Smith to come back in the office. Used to come in once every two months, three months. Now she's shy about it. We talked to her on the phone. She sounds, you know, like something's wrong.” I said, “Trigger a report.”

DHR went out and found that she had a grandson who was threatening her because he was on drugs, and that's where the money was going. Well, immediately we were able to remove him from the premises, get her some help, put in a trustee for a period of time until we got her back up to speed. And we saved her account from losing any more money. These are the type of things that you've got to worry about.

The other thing is that a lot of the customers will come on in and want to make withdrawals for whether it's cryptocurrency or something new. And I always say to the folks, "What were they told?" And the broker dealers usually refer to us the things that the customer tells them such as, "Well, this guy told me I'm going to double my money, and, you know, there was no risk involved in this." Well, these are all red flags, and I think that it is up to the industry to go ahead and mark all these down.

The last thing I would say at this point is documentation. If there is a transaction that's going to occur that is not part of your advice – for example, they're absolutely insistent they want to buy some Bitcoin. That's fine. If that's what they want to do, it's their money. It's not something that's being coerced, whatnot. Document that that was not your advice, that, in fact, you were against it, but they insisted to do it anyway. This way, if there's a problem down the road, somebody says, "Well, you should have told me that it wasn't safe," there's a documentation. So that's a practice point for your financial professionals to make sure document, document, document.

**Pete Tepley:** Thanks, Joe, for all that advice regarding what firms can do. And some of our listeners may actually be people like me who have elderly family members. May be wondering, what can I do to make sure that my elderly family member is protected? They may have access to some of the accounts but not others. So what's some advice you have for families, conversations that maybe they should be having?

**Joe Borg:** Sure. You know, every family's a little different. Now, my mom's, like I said, 92. Well, she's going to be 93 in a few weeks. And, you know, over the years, we've developed this relationship where – she's very sharp. She actually looks at her investment accounts. But, you know, we've developed the idea that I actually sit down and talk to her about these accounts and what we're doing.

And I think it's up to families to decide, you know, look, let's talk about these things. Have you checked out your financial professional as well? You know, you can do a free check on that. But I think the communication that families have needs to include stuff on finance, and that is something that we have found that people stay away from.

Is your parent, for example, getting a lot of phone calls for investment type things? Ask them the question. “Oh, yes, this guy from Nigeria has been calling me, or this guy's been calling me about annuities or whatever it may be.”

You know, one of the best things for seniors in defense is a answering machine, and get them to the idea that if they don't recognize the phone number, just let it ring. If they want to leave a message, they’ll leave a message. If they don't leave a message, it obviously wasn't that important anyway.

But it is important for sons and daughters to sit down with their parents and have a chat about, hey, there's a lot of stuff going on out there. If they want to, they can download from our website some of the horror stories and say, “Oh, we want to make sure this never happens.” Don’t want to scare them, but you want to have a conversation with them.

The biggest problem with kids talking to their parents is the parents start thinking that the kids are trying to take over their lives. That's not what they want. They want a partner. They want someone to be there to be an advisor and help. But they don't want you to say, you know, “I'll handle it. I'll handle. I'll take this on over.” That's the worst possible thing you can do.

But look to see if your parents are getting calls like, “This investment secret. We don't want to let everybody in,” or, you know, “I've got this great offshore investment opportunity.” And the bottom line is if they don't understand what the product is and what's being sold, then it’s probably not right and suitable for them anyway. You know, watch out for the red flag phrases like guaranteed, double your money, low risk, high returns, and things of that nature.

And I think that the education with parents also goes to asking certain questions like, "Hi, Mom, when this guy called you, did you call him? Or did he call you? You know, who initiated that meeting? Mom, Dad, the guy that called you, was that a reference from somebody? Did somebody recommended him, or he just called out of the blue? Did they send you any written information, or did they just make a promise over the phone? Has anybody asked you to borrow money?"

These are the kinds of questions you work into a conversation just to make sure that they're not being approached on the outside with a confidence guy who's going to build up, like my crook that I talked about with a degree in psychology, you know, building up their confidence just to hit them with a big problem down the road.

Make sure that you've checked the license and registration of anybody that's offering anything. By the way, that's free at our office. Just call us at 1-800-222-1253. 800-222-1253. You can check from any state the registration of any financial professional, whether it's an investment advisor or a broker dealer, free of charge. And you can get that information from the state, or you can go to a BrokerCheck, if it's a broker dealer, from FINRA. You know, you want to see if there's any problems out there, any complaints. And try and make sure that your parents feel that you are someone that they can trust before they invest any money.

Those are the types of things to do. But you've got to take your time doing it because you've got to make your parents feel that you are there to support them, not supplant them. And that's a big issue.

**Pete Tepley:** Thank you, Joe. That's good advice. And this wraps up another episode of RumbergerKirk's Legally Qualified. You know, as Joe said, document, document, document. And also, as he noted, if it's too good to be true, you know, doubling your money with no risk, it probably is.

And a special thanks to our listeners. We hope the insight we shared will help you with protecting our seniors from growing investment fraud, whether you're on the brokerage side or the consumer side of things. If you have any questions or would like to reach out to us, please email info@rumberger.com. Again, thank you, Joe and Rebecca. I really appreciate your time.

**Joe Borg:** Thank you very much. It's a real pleasure to be on with y'all.

**Music & Legally Qualified Outro Voiceover:** Thanks for listening to Legally Qualified, a podcast from RumbergerKirk addressing your legal business concerns. For more information about today's topic or to learn more about our attorneys and practices, please visit Rumberger.com.