- Always seek independent financial advice or see a lawyer if you do not understand a document.
- Never accept a verbal agreement – get everything in writing.
- Never sign any document before reading it carefully.
- Do not be drawn in by appearances or fancy titles – fraudsters know the importance of first impressions and many “professional” titles are simply marketing tools.
- Be leery of suggestions from strangers, co-workers, friends and even family members to cash-in your 401(k) or other investments to buy into a “sure thing.”
- The Internet is rife with fraud. Flashy websites can be created quickly and then vanish without a trace. Be very cautious about giving personal information to anyone, especially online.
- Always remember: If an investment sounds too good to be true, it probably is!

A 2006 FINRA Investor Education Foundation-funded study showed senior investment fraud victims tend to be married, college-educated males who score higher on financial literacy tests than non-victims. This shattered the stereotype vision of helpless, lonely widows with limited financial savvy being the typical prey. There is no “typical” victim of fraud. Professional scam artists go where the money is, which means that if you have money to invest, you are vulnerable to fraud.

Don’t think you can become a victim of fraud?

Every week there are new reports of victims being cheated out of their money. To read some of these stories, visit our web site at: ***http://www.secretary.state.nc.us/sec/nasaa.aspx.***

North Carolina Department of the Secretary of State

Hon. Elaine F. Marshall
Secretary of State

For more information, please contact us at:

NC Department of the Secretary of State
Securities Division
P.O. Box 29622
Raleigh, NC 27626-0622
Telephone: 919-814-5400
Toll-free: (800) 688-4507
Fax: (919) 821-0818

Email: secdiv@sosnc.com

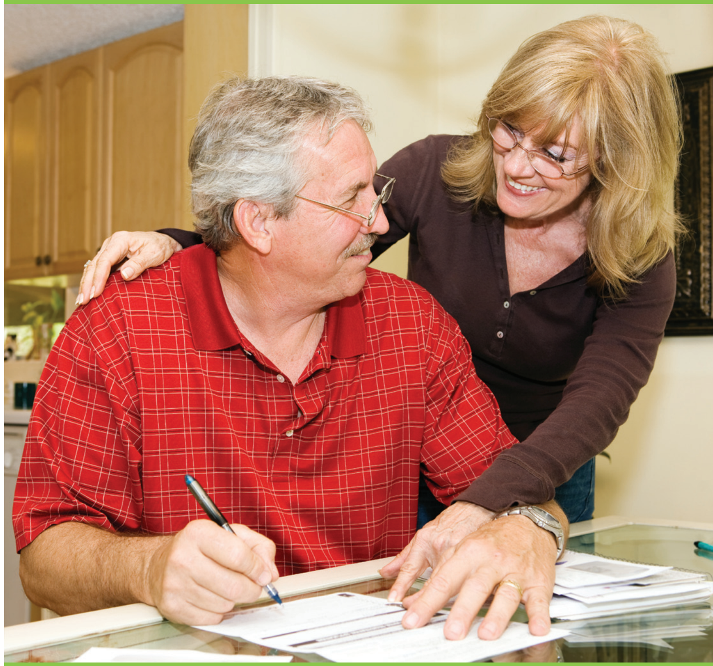
Visit us on the Internet at:
http://www.sosnc.com

The North Carolina Department of the Secretary of State’s Securities Division gratefully acknowledges the assistance of the North American Securities Administrators Association, Inc., and the Pennsylvania Securities Commission.

15,000 copies of this public document were printed courtesy of the North Carolina Investor Protection and Education Trust Fund (N.C.G.S. §147-54.5) at a total cost of $1,875.00, or $.0125 per copy.

NORTH CAROLINA DEPARTMENT OF THE SECRETARY OF STATE SECURITIES DIVISION

BABY BOOMERS BEWARE



Over the next quarter-century, it is estimated that 10,000 so-called "Baby Boomers" – people born in the post-World War II era of 1946-1964 – will retire each day. As the largest demographic group of retirees, this makes Boomers prime targets for investment scams. More than any previous generation, those rolling toward retirement are much more likely to have:

- Worked for many different companies and retire without a "traditional" pension
- Changed careers as job skills became outdated or outsourced
- Incurred significant amounts of secured and unsecured debts
- Neglected an early start to planning for retirement
- Longer life expectancy and higher lifestyles, requiring more retirement income
- Experienced multiple moves and more than one marriage

If you are a Boomer, you may also find yourself in the position of being responsible for the care and support of both dependent children/grandchildren and elderly family members. As a member of this generation, you may face difficult financial considerations when balancing your own economic needs with the needs of your family. Nearly half of those Boomers in this position do not have adequate means to finance their own retirement. At the same time, most consider paying for their children's college tuition a parental responsibility. On top of that, caring for an elderly family member often involves a significant financial obligation as people are living longer and health care costs continue to rise. All these considerations can leave you economically caught in the middle of a generational sandwich.

As you near retirement, you may feel pressured to make hasty investment decisions in an attempt to make up for an insufficient nest egg. You may end up taking on more risk than you are comfortable with in an effort to "catch up." Before you invest, take some time to understand the investment and the risks associated with it, and remember to call the Securities Division at (800) 688-4507 to see if the person pitching the investment and the investment itself are lawfully registered or qualify for an exemption from registration.

How to Avoid Investment Fraud:
FIVE THINGS YOU NEED TO KNOW

1. KNOW YOURSELF AND YOUR INVESTING GOALS

Ask yourself: What can I afford to lose? What is my risk tolerance? Do I need external guidance to help me invest?

2. KNOW WHOM YOU ARE DEALING WITH

You should know if the person offering you the investment opportunity is registered to sell investments, what his or her background is, how (s)he is paid, what kinds of products (s)he offers, who his or her other clients are, and what level of service you can expect.

3. KNOW WHAT YOU ARE INVESTING IN

Demand full, detailed information about the investment opportunity, and get it in writing. Ask questions, take notes and get a second opinion from a registered adviser. Never sign a document before reading it carefully, and do not be drawn in by appearances or smooth talk. Remember: Most fraudulent investments are very well-thought out and appear professional in their presentation.

4. KNOW WHOM TO CALL FOR HELP

The North Carolina Securities Division (800-688-4507) can verify the registration of the securities seller, investment adviser and the security itself. We can also provide the complaint history, if any, of the person.

5. KNOW THE RED FLAGS WHICH COULD SIGNAL FRAUD

Promises or guarantees of high returns with little or no risk: All investments carry risk. Usually, the higher the returns, the higher the level of risk.

Pressure to "act now or miss the opportunity": Do not be pulled in! This tactic is used to pressure you into handing over your money without doing your homework or asking for independent advice.

Offshore investment - tax-free: Taxes can sometimes be deferred, but they cannot be

avoided. This tactic is used to get investors to send the money offshore where it is difficult, if not impossible, to get back.

Great investment opportunity – "your friends can't be wrong": Yes, they can! Many investment fraud victims were introduced to the fraud by unsuspecting family, friends or co-workers.

Psychological tactics: Common tools used by con artists include fear (i.e., insufficient income to keep your home or buy your medicine), greed (to live the good life or leave money to your kids), or insecurity (not wanting to appear foolish or incompetent).

Inside information: First, you have no way of knowing that the information is true. Second, trading on inside information is illegal.

Tips for Protecting Your Money

- Do not be afraid to ask questions. Make sure they are answered to your satisfaction, then verify the answers.
- Take notes during conversations with salespeople.
- Take your time to make decisions. Do not allow anyone to rush you and do not allow emotion to sway you into making what is essentially a business decision.