

BE A **SMART** INVESTOR...

Save all records relating to investments, including all notes of meetings and telephone conversations.

Make a call to the Department to check a broker's or adviser's background.
Consumer Hotline:
(877)471-3445



Ask for written information before making an investment decision.

Report problems promptly in writing—to the broker, firm and the Nebraska Department of Banking and Finance

Take the time to consider the investment—don't be pressured into making a quick decision.

LEARN MORE...

The NDBF's Bureau of Securities makes available the following free information.

- Investor Bill of Rights
- Tips for Consumers About Mutual Funds Sold by Banks
- Raising Small Business Capital in Nebraska
- Informed Investor Series:
 - Questions for Informed Investors
 - Who's Who in the Financial Planner & Investment Adviser Field
 - How to Spot a Con Artist

NDBF Staff is available to coordinate informational presentations.

Please contact us, at (402)471-2171, for more information.



NDBF &

NEBRASKA DEPARTMENT
OF BANKING AND FINANCE

Bureau of Securities

1230 'O' Street, Suite 400

Lincoln, NE 68508-1402

Consumer Hotline: (877)471-3445

In Lincoln: 471-2171

www.ndbf.org

Scams, Schemes & Swindles...

2006 Top Ten Investment Threats

We are your regulators & advocates...call us when you need us.

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2006 TOP 10 THREATS TO NEBRASKA'S INVESTORS...



1. Senior Citizen Investment Fraud: Because they have built a lifetime of savings, seniors continue to face investment fraud by con artists peddling unsecured promissory notes, pitch death benefits or life insurance policy settlements (*often referred to as viatical contracts*) and other investments that are either fraudulent or unsuitable for them based on their particular financial needs. Of particular concern are “Free Lunch Seminars” where Seniors are urged by bogus “Specialists” to invest in unsuitable investment products.

2. Misuse of Variable Annuities : Senior investors, in particular, should beware of the high surrender fees and steep sales commissions agents often earn when they move investors into variable annuities.

3. Unsuitable Recommendations: Investment always involves a certain amount of risk, even when well advised. Unethical professionals can steer investors towards products that are simply inappropriate for their lifestyle and financial profile.

4. Inappropriate Sale of Equity Indexed Products: Equity Indexed products are based on the performance of an equity mutual fund or stock index, while they offer a minimum guaranteed return and are tax-deferred. They are not FDIC insured and are inappropriate for investors who would need to recoup their money quickly in the case of emergency.

5. Affinity Fraud: Con artists are increasingly targeting religious, ethnic, cultural and professional groups.

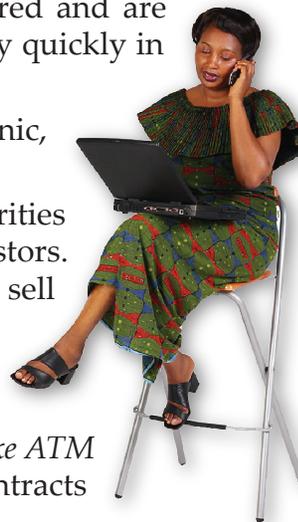
6. Unregistered Individuals Selling Securities: Anyone selling securities without a valid securities license should be a red alert for investors. A license to sell insurance alone does not allow individuals to sell securities. *Remember:* No valid securities license, no sale.

7. Unregistered Investment Products: Con artists bypass stringent state registration requirements to pitch death benefits or life insurance policy settlements, managed income producing assets (*like ATM machines, pay phones and internet kiosks*), and other investment contracts with the promise of “limited or no risk” and high returns.

8. Illegal Promissory Notes: Empty promises can leave these notes worth less than the paper on which they are printed.

9. Ponzi & Pyramid Schemes: The premise is simple: pay early investors with money raised from later investors. The only people who make money are the promoters who set the Ponzi in motion.

10. Oil & Gas Scams: With oil prices at record levels and continued Middle East instability, con artists may renew schemes promising quick profits in oil and gas ventures.



REMEMBER...

If it sounds too good to be true—it probably is.



The higher the return—the greater the risk.



There is no guaranteed securities investment.



There is no investment rule that always works.



Investment returns are made over time—not overnight.