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## ARKANSAS SECURITIES DEPARTMENT

**FOR IMMEDIATE RELEASE**  
October 14, 2008

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**\*\*\*PRESS RELEASE\*\*\***

### **ARKANSAS SECURITIES DEPARTMENT CONTINUES FOCUS ON SENIOR INVESTMENT FRAUD**

#### **Department applauds cooperation with AARP and other state agencies to combat financial fraud against senior citizens**

**October 14, 2008** – In January 2008, Arkansas Securities Commissioner Heath Abshure announced that senior investment fraud would be the Arkansas Securities Department's enforcement focus for the upcoming year. Today, Abshure applauded the cooperation of the AARP and other state agencies and departments in their efforts to protect Arkansas senior citizens from financial crimes.

"Approximately 80% of the complaint calls received by the Securities Department relate to investment fraud targeting senior citizens," said Abshure. "With fraud and scams on the rise, older Americans remain a primary target for unscrupulous individuals. We believe that every investor deserves protection, none more so than the growing numbers of seniors who depend on their savings for a financially secure retirement."

Abshure stated that one of the most common methods salespersons use to access senior citizens is the "free lunch" seminar. Four out of five investors age 60 and over received at least one invitation to a free investment seminar in the past three years—and three out of five received six or more. The invitations often promise to educate individuals about investing strategies or managing money in retirement usually with an expensive meal provided at no cost.

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 Abshure. "We appreciate the opportunity to work closely with AARP and its membership through the Arkansas Senior Sleuth Program and the Free Lunch Monitor Program to put unscrupulous salespeople on notice that the victimization of senior investors will not be tolerated."

In January 2008, the Securities Department and the Arkansas AARP launched the Arkansas Senior Sleuth Program. Volunteers from Arkansas AARP attend free lunch seminars around the state, and provide information from those seminars to the Arkansas Securities Department. According to Abshure, information provided by the Arkansas AARP's Senior Sleuths has led to a number of ongoing investigations by his Department.

Today, the Securities Department announced its participation in the Free Lunch Monitor Program, 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. Should an individual choose to attend a free lunch seminar, he or she will be armed with a checklist and other information from AARP and the Securities Department to help assure that both the products promoted at free investment seminars, as well as the promoters, conform to securities laws and regulations. The attendee can then forward information gathered at the seminar to the Securities Department.

In addition to the Senior Sleuth program and the Free Lunch Monitor Program, the Arkansas Securities Department and four other state agencies and departments have partnered with the AARP to hold a series of town hall-style meetings around Arkansas throughout October and November, speaking to Arkansas senior citizens on consumer issues, bank safety and soundness, securities fraud, payday lending, senior insurance issues, and Medicare fraud. The program is entitled "Protecting Arkansas Seniors" and reflects State Government's efforts, working with AARP, to protect the financial interests of Arkansas senior citizens. The Securities Department has joined the State Bank Department, the Attorney General's office, the State Insurance Department, and DHS- Division of Aging and Adult Services to present these meetings.

The group has sponsored meetings in Springdale and Hot Springs Village, and has meetings scheduled in Mountain Home, Jonesboro, Hope, and Monticello. Abshure stated that senior citizens in and around these areas will be receiving invitations to the meetings and encouraged them to please register and attend. "Only the lowest of the low intentionally target seniors for financial fraud. Through the town hall meetings, we have the chance to arm our senior citizens with information that may prevent them from becoming victims of a fraudulent scheme. Also, it is our chance to reassure seniors that their state government will continue its longstanding and active pursuit of criminals who seek to cheat seniors out of their hard-earned retirement savings."

Persons interested in the Arkansas Senior Sleuth Program, the Free Lunch Monitor Program, or the town hall meetings are encouraged to contact the Arkansas Securities Department at 1-800-981-4429.