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Protecting Your Assets: Investment Fraud Alert

Our lead article is usually about the mission of the church and how the Oklahoma Disciples Foundation works to help accomplish that mission. We try not to say anything of warning about what others may say or do. Nevertheless, we have become painfully aware of what has happened to some good, well-meaning folk who are vulnerable to con artists. Some citizens of our fair state probably are not aware of the laws designed to protect us from those who would do us harm.

Do you know the mission of the Oklahoma Securities Commission is investor protection through the enforcement of the Oklahoma Uniform Securities Act of 2004? This act prohibits fraud in securities transactions and requires the registration of broker-dealers, agents, investment advisers and investment adviser representatives. Despite this act, over 160 investors lost more than \$8 million with the Hickman Insurance Agency (Bill Sr. & Bill Jr.) of Shawnee. Victims of Marsha Schubert – a registered stockbroker in Crescent – lost over \$200 million.

The news too frequently carries a story of someone being ripped off in a Ponzi scheme.* To counter such activity, the National American Securities Administrators Association offers the following tips on how to avoid becoming an investment fraud victim.

Maintain an attitude of healthy skepticism.

- ♦ If an investment opportunity sounds too good to be true, it may well be!
- ♦ Con artists can appear very polished and professional. Appearance is no substitute for rigorous training and meaningful experience and credentials.

Take the time to do your homework.

- ♦ Check out anyone who pitches an investment opportunity to you.

- ♦ Take the time to check out the salesperson, firm, and the investment opportunity itself. You can find background info on investment salespeople at www.securities.ok.gov.
- ♦ Be especially wary of anyone who pressures you to make an immediate decision.

Be cautious when dealing with anyone who tries to play on your fears or insecurities.

- ♦ Con artists often play to concerns about outliving financial assets, fears about having sufficient resources during a potential extended illness, and various types of personal or family catastrophes.
- ♦ Don't allow fear to cloud your judgment.

Don't let your good manners stand in the way of thoroughly researching an investment decision.

- ♦ Con artists count on traditional Oklahoma sociability to facilitate their schemes.
- ♦ Don't let a false sense of friendship cloud your judgment.

Be especially vigilant during stressful times.

- ♦ A change in marital status, the death of a close friend or loved one, even a change in residence can make you more vulnerable to financial scams.
- ♦ Always get the facts before making financial decisions.
- ♦ Take a course at the local university. Ask trusted friends or family for references.

- ♦ Check with state securities regulators for advice.

Take charge & stay in charge of your assets.

- ♦ Any inference by a financial advisor that you should turn over decisions to him or her should be viewed with suspicion.
- ♦ Monitor your investments. Require regular written reports; then study them!
- ♦ Keep an eye out for unauthorized trading of your funds, as well as any signs of excessive trading of your funds.

Report any suspicions of investment abuse or fraud immediately.

- ♦ Don't let embarrassment or fear prevent or delay notifying authorities.
- ♦ Every day that you delay reporting fraud or abuse is one more day that the con artist is spending your money and finding new victims.

(continued on other side...)



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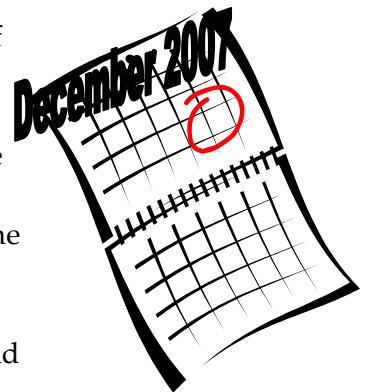
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EXPIRATION DATE: 12/31/07

We first wrote about the IRA Charitable Rollover in the November 2006 newsletter. This is a provision of the 2006 Pension Protection Act that will expire this year. While there has been discussion on Capital Hill about extending the provision, there has not been a vote.

This may be your last year to take advantage of this wonderful giving opportunity. The provision allows persons age 70½ or older to make a direct gift from a traditional IRA to a qualified charity like the Foundation or your congregation. You can give up to \$100,000 and not include the amount as income for tax purposes.

There are some other qualifications but if you are interested in learning more, please call us or send an email.



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**1 part creativity + 2 parts willing spirit + 1 part commitment
= 1 GREAT fundraiser**



If you happen to live in the Northeast Area you have probably met or heard about Jeff Kendall. He is a blacksmith by trade, an advocate for Camp Christian and the young people who go there, and a willing spirit. In the last year or so, Jeff has been spending lots of time helping raise money for the camp.

Jeff got the idea for dog tags from seeing young people wear them. He already had a cross he wanted to use and decided to use the chalice as the second tag. He found the supplier, created the product and has

been going strong since then. Jeff has been selling the dog tags at area meetings and even at General Assembly. The youth from Eastside Christian Church and from Forest Park have sold them as a fundraiser for the camp endowment.

The tags have protectors in many colors, are fun to wear and have become a symbol of the success of the area in their efforts to revitalize Camp Christian. Funds from dog tag sales are coming to the endowments for Camp Christian, preparing for the continued ministry of the camp far into the future.

All it takes is commitment, spirit, and some creative thinking and **you** could find ways to support the endowment of your choice.

Let us know how you do it!



Protecting Your Assets (continued from other side)

More cons & danger signals:

- ◆ *Problems with retrieving your principal or cashing out profits.* While some kinds of investments have restrictions on withdrawal of funds, you must be advised of these limitations in advance. Otherwise, hesitancy about or delays in cashing out profits or withdrawing funds is indicative of fraud.
- ◆ *"Reload" scams.* Many con artists will offer an opportunity to recoup losses with yet another scam. Don't compound prior victimization by letting them "reload" and take a "second bite" of your assets.

*Footnote: A Ponzi scheme is an illegal pyramid plan which operates on the "rob-Peter-to-pay-Paul" principle, so that money from new investors is used to pay off earlier investors until the whole scheme collapses.

Call us (888-525-6530 or 405-525-6530) or email us:
kvmxwell@okdisciplesfoundation.org.

Sources: National American Securities Administrators Association
www.nasaa.org; InvestEd Education Programs, University of Oklahoma
Outreach www.investedok.org

Watch for your Disciple Club mailing!