

ComplianceMAX seeks to provide you with regulatory compliance services that help you remain compliant while allowing you to focus on sales and growth. ComplianceMAX publishes its **OBSERVATIONS** newsletter to provide you with:

- Notice of upcoming deadlines under current regulations
- Notice of new regulations and upcoming deadlines under those regulations
- Our perspectives on how new regulations may affect Investment Advisers

HAVE YOU HEARD?

Early Reports on SEC Audit Program

Based on several of your notifications to us (and your requests for our assistance) it is evident that the SEC is actively underway in its 2006 audit program.

The examination request list we are seeing in the 2006 inspections and that from 2005 remains mostly consistent. We have, however, begun to see variations, especially in regard to the SEC's probing regarding risk analysis and risk management. We will use exercises in the Resources workbooks to prepare you for the new approach, and you'll soon see an updated Risk Analysis Workbook in the Model Documents library.

We are finding that the Resources program workbooks are standing up well in response to the SEC's questions regarding the implementation of a compliance program. Further, we have seen an instance in which a CGO used attendance at the monthly "Webinars" to her advantage in support of her qualifications and training for her compliance role.

For tips on how to maximize the Resources Program in the context of your own SEC or State audit, we invite you to contact your Resources Consultant.

Observations' Guest Author Series

I am very pleased to present our guest author for the month of May:

W. Scott Simon, J.D., CFP®, AIFA®, is a principal with Prudent Investor Advisors, LLC (www.prudentic.com), a registered investment advisory firm in Chico, CA. He has authored two books, including *The Prudent Investor Act: A Guide to Understanding*, and a number of articles. Mr. Simon also writes a monthly column for Morningstar on fiduciary investment issues called "Fiduciary Focus" and a column for the *Journal of Pension Benefits* on the same subject. He is an expert on the Uniform Prudent Investor Act and the Restatement 3rd of Trusts (Prudent Investor Rule) and is a consultant and expert witness in the area of modern prudent fiduciary investing. Mr. Simon, a member of the State Bar of California, can be contacted at wssimon@prudentic.com.

The Fiduciary Duties of a Registered Investment Adviser

By W. Scott Simon, J.D., CFP®, AIFA®,

Section 202(a)(11) of the federal Investment Advisers Act of 1940 ("1940 Advisers Act") defines an "investment adviser" as: "...any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling

securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities..."

This definition constitutes that of a "registered investment adviser" or "RIA." RIAs that have \$25 million or more under management must be registered with the U.S. Securities and Exchange Commission ("SEC") while those with less than that amount under management are subject to registration by their respective state securities commissioner(s).

While it is commonly acknowledged that an RIA is a "fiduciary," that term actually never appears in the text of the 1940 Advisers Act or in any of its revisions. In the case of *S.E.C. v. Capital Gains Research Bureau, Inc.* (375 U.S. 180 (1963)), however, the United States Supreme Court made clear that the 1940 Advisers Act "reflects a congressional recognition of the delicate fiduciary nature of an investment advisory relationship, as well as a congressional intent to eliminate, or at least expose, all conflicts of interest which might incline an investment adviser - consciously or unconsciously - to render advice which was not disinterested." (Emphasis added.) Further, an RIA owes its clients a duty of "almost good faith, and full and fair disclosure of all material facts" as well as an affirmative obligation "to employ reasonable care to avoid misleading clients."

The Center for Fiduciary Studies at the University of Pittsburgh's Katz Graduate School of Business offers two definitions of a fiduciary: (1) a person who has discretionary control over assets (e.g., money managers and custodians) or (2) a professional held in a capacity of trust and who renders investment advice (e.g., investment advisors and consultants).

Two developments within the last year have highlighted the fiduciary duties of an RIA. The first of these developments is the so-called "Merrill Lynch Rule" (codified as Rule 202(a)(11)-1 under the 1940 Advisers Act), promulgated by the SEC in April 2005. This rule omits from the definition of "investment adviser" certain broker/dealers that provide non-discretionary advice, solely incidental to their brokerage services, regardless of the form of compensation they may receive (e.g., commissions and/or fees).

The Merrill Lynch Rule allows broker/dealers to provide essentially the same services as an RIA without being regulated as RIAs under the 1940 Advisers Act. This wouldn't be such a big deal except for the fact that RIAs must live up to a fiduciary standard while broker/dealers need only comply with the so-called "suitability" standard. These legal investment advising standards governing a fiduciary RIA and a non-fiduciary broker/dealer and its registered representatives are, in fact, very different. Here's how.

Given its fiduciary status, an RIA must follow the "trust" standard—the highest known in law—which requires it to place the interests of its clients ahead of its own and fulfill critical fiduciary duties such as exposing all conflicts of interest which might tempt the RIA to render disinterested investment advice, "almost good faith," "full and fair disclosure of all material facts" and "reasonable care to avoid misleading

clients" as the Supreme Court set forth in its *S.E.C. v. Capital Gains Research Bureau, Inc.* opinion. Under the fiduciary trust standard, an RIA must provide its "best advice" to its clients.

A non-fiduciary broker/dealer and its registered reps follow the "suitability" standard under NASD regulations. This standard doesn't require a registered rep to place the interests of its clients ahead of its own. Under the non-fiduciary suitability standard, a registered rep need provide only "suitable" advice to its clients—even if it knows that the advice is not the best advice. For example, a registered rep that recommends an S&P 500 Index mutual fund with a 5% load and high annual expenses when it knows of an equivalent Index fund with a similar track record that is no-load and has low annual expenses ordinarily wouldn't be liable to its customer for such a recommendation. It is more likely that an RIA would be liable for engaging in such investment conduct because of its fiduciary status.

Broker/dealers, subject to the Securities Exchange Act of 1934 ("1934 Act"), maintain that they are regulated just as heavily by the SEC, the National Association of Securities Dealers ("NASD") and/or the various agencies in the states in which they do business. Nonetheless, a broker/dealer ordinarily is not deemed a fiduciary—however heavily it otherwise might be regulated by the SEC, the NASD and the states. In fact, none of this less strict regulation with respect to the suitability standard registers broker/dealers and their registered reps with the SEC as RIAs under the more strict regulation concerning the fiduciary standard of the 1940 Advisers Act. (Even when a broker/dealer has dual registration as both a broker/dealer and an RIA, according to the Merrill Lynch Rule the broker/dealer does not necessarily become a fiduciary.) The fundamental difference, then, between the broker/dealer and RIA regulatory schemes is that RIAs are per-se fiduciaries under the 1940 Advisers Act while broker/dealers are not per-se fiduciaries under the 1934 Act.

Even if a non-fiduciary registered rep of a broker/dealer wanted to follow the trust standard of law and become a fiduciary to its clients, it cannot

do so legally. This isn't due to any public government regulation but to the private contract a registered rep enters into with its broker/dealer. Such contracts legally *require* a registered rep to place the interests of its broker/dealer before the interests of the registered rep's clients. Under such contracts, a registered rep *does* become a fiduciary—but *only* to its broker/dealer—not to its investment clients. In short, a registered rep owes fiduciary duties *directly and only* to its broker/dealer. An RIA, however, owes fiduciary duties *directly and only* to its *investment clients* due to the fact that there's no broker/dealer to get in the way and cause conflicts of interest. From a regulatory and legal vantage, then, the broker/dealer → registered rep relationship is merely one of principal-agency while the RIA → client relationship is one of fiduciary-beneficiary.

Another area highlighting the fiduciary duties of RIAs concerns the nature of the legal recourse their clients have against them. An aggrieved client suing an RIA need only plead a breach of the RIA's statutory fiduciary duty that it owed to the client under the 1940 Advisers Act. The burden of proof then shifts immediately to the RIA to show that it did not breach that duty. An aggrieved client seeking to hold a broker/dealer accountable, however, has the burden of proof to show that the broker/dealer owes a fiduciary duty to its client in the first place. And usually the only way to attempt to surmount that towering hurdle is through arbitration since brokerage customer agreements typically require a customer to forfeit its right to sue in a court of law. In short, the customer of an RIA must only *allege* breach of a duty while that of a broker/dealer must actually *prove* that the broker/dealer owed any fiduciary duties at all.

The second development within the last year that has highlighted the fiduciary duties of an RIA was issuance of a report by the staff of the SEC in May 2005 entitled "Staff Report Concerning Examination of Select Pension Consultants." It's a bit of an understatement to say that this report wasn't kind to the 24 unnamed RIA pension consultants it examined. But that, as they say, is another story for another time...

UPCOMING EVENTS:

Web Seminar: Recent Developments for State Adviser (NASAA initiatives; state audit findings)
May 16 2006, 1pm Pacific, **FREE**. Register at
<https://compliancemax.webex.com/compliancemax/j.php?ED=82975322&RG=1>.

Web Seminar: The Fiduciary Standard (The Fiduciary Standard and the Fiduciary Standard Review)
June 20, 2006, 1pm Pacific, **FREE**. Register at
<https://compliancemax.webex.com/compliancemax/j.php?ED=82975537&RG=1>.

FPA Far West Round Up
August 12, 2006
Santa Cruz, CA
Corralling Compliance in Your Practice

NAPFA 2006 West Region Conference
September 15, 2006
Portland, OR
Compliance Recipes For A Good Night's Sleep and Compliance Go Round—Panel Discussion.

Financial Planning Association of San Diego
September 9, 2006
San Diego, CA
Compliance/Regulatory Environment

KEEP US INFORMED:

To keep you compliant, we rely on you to inform us if you make any material changes that may affect your compliance status. Please contact us if you change your business plan, change products or service lines, hire or terminate agents, change officers and/or directors, change addresses, branch locations and/or record storage facilities, and/or receive new complaints.



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2007 “Free Lunch”
Investment Seminars:
A Report by the Missouri Securities Division’s
Senior Investor Protection Unit



WINTER 2008

ROBIN CARNAHAN
SECRETARY OF STATE

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EXECUTIVE SUMMARY

Because a large majority of the country's investment assets are controlled by the nation's aging population, providers of financial products and services are increasingly focusing their marketing efforts toward persons in or near retirement. One of the more common methods used to market financial services to this segment of the population is the "free lunch" investment seminar. These seminars are designed mainly for persons in or nearing retirement and typically include a complimentary lunch or dinner at a nice restaurant, door prizes, or other enticements to bolster attendance. Although these seminars are touted as "educational," the ultimate goal is the sale of a product.

Articles, white papers, regulatory notices, and consumer reports have been issued by a variety of sources alerting seniors to the deceptive and high-pressure sales tactics often utilized at such seminars. For example, in 2007, the Securities and Exchange Commission (SEC), North American Securities Administrators Association (NASAA), and the Financial Industry Regulatory Authority (FINRA) issued a report after conducting an examination of "free lunch" seminars in a variety of states.¹ Missouri joins the rest of the U.S. in witnessing this trend to such an extent that Secretary Carnahan included "free lunch" and dinner offers as one of the top 10 threats to investors in both 2006 and 2007.

In 2006, members of the Securities Division began to attend and investigate "free lunch" investment seminars as an enforcement function. In October 2007, the recently-formed Senior Investor Protection Unit (SIPU) of the Division compiled and analyzed the data.

The year-long investigation into the "free lunch" investment seminars marketed to seniors and other investors in Missouri reveals that this common marketing tool, though promoted as an educational service, is instead a sales technique targeting senior citizen investors. It is sometimes used by salespeople who tout special expertise in advising seniors, but who routinely recommend the purchase of investment products like equity-indexed or variable annuities, which are often unsuitable for such investors but result in high commissions for the sellers. In many instances, the seminars are marketed using exaggerated promises, a false sense of urgency, or scare tactics, and in the majority of the presentations investigated, the seminars were led by individuals not licensed to sell securities. Several findings of the investigation were similar to findings in the SEC/NASAA/FINRA report.

To address some of the issues which have arisen out of this "free lunch" investment seminars research, the Securities Division will continue to monitor persons presenting these senior sales seminars, the marketing materials they use to attract seniors to these events and finally the professional designations they use to gain seniors' trust and eventual investments. Regulation of products such as equity-indexed and variable annuities, particularly at the retail sale level, should be expanded, and meaningful actions must be taken against those who most often sell these products through unsuitable recommendations. The Securities Division will also take action regarding special "senior designations," and will develop best practices for use by the industry in these marketing efforts.

¹ See *"Protecting Senior Investors: Report of Examinations of Securities Firms Providing 'Free Lunch' Sales Seminars,"* (September 2007), joint report by the Office of Compliance Inspections and Examinations Securities and Exchange Commission, North American Securities Administrators Association, and Financial Industry Regulatory Authority.

INTRODUCTION

A year-long investigation into “free lunch” investment seminars reveals that this common marketing tool, though promoted as an educational service, is instead a sales technique targeting senior citizen investors and other investors in Missouri. It is frequently used by salespeople who tout special expertise in advising seniors, but who routinely recommend the purchase of a specific product which is often unsuitable for such investors. As the “free lunch” investment seminar trend continues, it is important that seniors recognize that these seemingly harmless events may lead to unsuitable recommendations and exaggerated promises by presenters who may not have the right set of credentials to give them investment advice in the first place.

BACKGROUND

According to information provided by the SEC, NASAA, and FINRA,² approximately 75% of consumer assets in the U.S., totaling over \$16 trillion, are held by households headed by someone who is 50 or older. As this segment of the population ages, providers of financial products and services are increasingly focusing their marketing efforts toward persons in or near retirement. These marketing tactics that target the aging “baby boomer” generation result in financial fraud through abusive sales practices. Because these incidents are occurring more frequently, North American Securities Administrators Association data indicate that “although individuals aged 60 or older make up 15% of the U.S. population, they account for 30% of fraud victims.”³

Approximately 75% of consumer assets in the U.S. are held by households headed by someone who is 50 or older.

While many seminars offer valuable investment and financial advice to persons in or nearing retirement, fraud and abusive sales practices are all too prevalent in some “free lunch” senior investment seminars.

These seminars, held in both big cities and rural areas, are designed mainly for persons in or nearing retirement and typically include a complimentary lunch or dinner at a nice restaurant, hotel or club. In many cases, free gifts, door prizes, or other enticements are used to bolster attendance. Attendees first learn about the events from a variety of sources, including newspaper advertisements, direct mailings, telephone calls or radio programs. The promotional pieces sent to prospective attendees usually state that the seminar is educational in nature, and that no products or services will be sold. In most instances investigated, seminar presenters sought appointments for one-on-one counseling sessions with attendees following the seminar. These post-seminar private sessions are where products such as equity-indexed annuities are pushed and where most recommendations are made.

² Ibid.

³ “NASAA Survey Shows Senior Investment Fraud Accounts for Nearly Half of all Complaints Received by State Securities Regulators,” (July 17, 2006), available at http://www.nasaa.org/ASAA_Newsroom/Current_NASAA_Headlines/4998.cfm.

Articles, white papers, regulatory notices, and consumer reports have been issued by FINRA, National Association of Insurance Commissioners (NAIC), and NASAA alerting seniors to the deceptive and high-pressure sales tactics often utilized at such seminars.

The 2007 SEC/NASAA/FINRA report stated:

"Examiners found that the most commonly discussed products at the sales seminars were variable annuities, real estate investment trusts, equity indexed annuities, mutual funds, private placements of speculative securities (such as oil and gas interests) and reverse mortgages."

Missouri joins the rest of the U.S. in witnessing this trend and has seen a growing number of complaints from senior citizens originating from attendance at a "free lunch" seminar. The complaints have been such that Secretary Carnahan included "free lunch" or dinner offers as one of the top 10 threats to investors in both 2006 and 2007.

However, while national statistics are available to provide information and insights concerning these seminars, minimal data have been made available based on situations specific to Missouri. In 2006, members of the Securities Division began to attend "free lunch" sales seminars as an enforcement function and in October 2007, the recently-formed Senior Investor Protection Unit (SIPU) of the Division compiled and analyzed the data. This report explains the methodology in selecting and attending the seminars, and highlights the Securities Division team's investigative findings, observations, and conclusions regarding "free lunch" senior investment seminars.

METHODOLOGY

During the period from January 2006 through September 2007, Securities Division investigators attended 29 seminars presented by 29 sales representatives at various locations across the state,⁴ and participated in follow-up one-on-one meetings with several of the presenters. Information concerning these seminars was gathered from a variety of sources, including: (a) flyers, advertisements or invitations received by Missouri residents and mailed to the Securities Division; (b) similar promotional materials received by Securities Division staff at their homes; (c) advertisements in newspapers; (d) referrals from other regulatory agencies; (e) referrals from attorneys and financial professionals; and (f) complaints and tips received by the Securities Division from consumers. Due to limited resources and time constraints, members of the Securities Division were not able to attend every seminar that occurred in the State of Missouri. However, the investigators attempted to attend a broad sampling based on seminar location, background and credentials of the seminar presenter and topic of the seminar.

The investigators registered for the seminars undercover and attended them and any follow-up meetings. Subsequent to attendance at the seminars, information and data in the following categories was collected: (a) licenses held by the presenter; (b) other "expert" or "professional" credentials or designations claimed or touted by the presenter; (c) disclosure

⁴ See Missouri map attached as Exhibit 1.

history of the presenter; (d) claims made in seminar advertisements, seminar materials, and sales literature offered by the presenter; (e) seminar target population; and (f) primary product discussed and/or recommended by the presenter.

FINDINGS

Targets of the Seminars are Typically Senior Citizens.

All of the seminars attended by the investigators were targeted to people in or nearing retirement. While 17% of the seminar promotional materials indicated a specific target group of "55 or over," 83% of the seminars referenced a broader target group of "retired" or "seniors only." In three instances, the target group was further limited to "seniors and mortgage holders and 401(k)/IRA contributors," "seniors with over \$100K in IRAs or investable assets," and finally, individuals who were "55 and older with investment portfolios of \$100K or more." These seminar targeting techniques or restrictions appear intended to garner an audience that would be receptive to a specific product or investment program that was offered by the presenter – usually a product or program that would be of interest to persons nearing retirement. Examples of such products or programs include using reverse mortgages to fund long-term care, applying various asset "spend-down" techniques in order to qualify for Medicaid long-term care, and rolling over 401(k) and IRA retirement accounts to purchase equity-indexed annuities. Much can be learned about the nature of these presentations just by reading the seminar's title on its marketing pieces, as the following partial list of seminar titles reflects:⁵

83% of the seminars referenced a target group of "retired" or "seniors only."

1. Paying Off Your Mortgage and Contributing to an IRA/401K is a HUGE MISTAKE! Learn how to take money out of your 401k or IRA with little or NO TAXES!
2. Protect Yourself & the Family's Inheritance from Medicaid Seizure of Assets
3. Senior Financial Survival Workshop: Year 2007 Update of Income Taxes, Probate, Federal Estate Tax Guidelines to Help Protect You From Nursing Home Expenses
4. ATTENTION SENIORS: Don't Go Broke In A Nursing Home!

The seminars were typically attended by approximately 30-35 persons, and the average age of the attendee was between 70 and 75.⁶ The majority of the attendees were couples and, occasionally, a son or daughter accompanied the parent. In addition to offering a free lunch or

⁵ See Exhibit 3 for a complete set of copies of the flyers for the seminars attended by SIPU staff.

⁶ Attendance numbers and representative ages of seminar attendees are not exact and are approximations based on observations made by the undercover investigator in attendance at each seminar.

dinner, presenters sometimes attempted to bolster attendance by offering door prizes, free books, a "free" portfolio review and analysis, and "special" or reduced rates on tax return preparation.⁷ While the door prizes and books could be directly connected with bolstering attendance, offerings such as tax return preparation and portfolio review and analysis could be used by the seminar presenter at a later date to obtain knowledge concerning net worth and investment holdings of an attendee.

Although Advertised as "Educational," the Seminars are Really Sales Ploys.

Over 79% of the promotional pieces advertising the "free lunch" seminars indicated that the material to be presented would be educational and no products would be sold. The following is a partial listing of such statements and, where indicated, the emphases were in the original flyers:

1. This event is an informational meeting and *nothing will be sold at this event.*
2. You are cordially invited to attend a FREE educational and entertaining seminar with a complimentary light dessert following this ninety-minute presentation. Nothing will be sold.
3. **Nothing will be sold** at this educational workshop and presentation – there is **NO cost or obligation.**
4. **Leave your checkbook at home; there is absolutely no pressure, no cost or obligation, and nothing will be offered for sale at this workshop.**
5. **Your dinner and program are absolutely FREE. No sales presentation . . . Guaranteed!**
6. There will be **NOTHING** sold at this workshop, guaranteed!
7. This is an educational seminar with no discussion of specific products.

Although advertised as "educational," only one seminar actually provided general, educational investment information, such as a discussion of various asset classes, asset allocation strategies, discussions of various types and levels of risk, diversification, and/or modern portfolio or other investment theories. Of the seminars investigated, 79% primarily focused on discussions of equity-indexed annuities, and all of the seminars solicited the attendee's name, address, and telephone number in order to schedule a follow-up private appointment. In approximately 48% of the seminars, private appointments were actually scheduled directly after the presenter finished his or her presentation. Even though presenters did not actually offer products for sale during the presentation, it was evident to the

In approximately 48% of the seminars, private appointments were scheduled directly after the presentation.

⁷ To the best of the investigators' knowledge, neither of the individuals offering tax advice and/or tax return preparation is a licensed CPA or qualified tax professional.

investigators that the seminars were intended to result in the acquisition of a private appointment with the attendee with the ultimate goal of the sale of a product or products.

Advertising and/or Sales Materials Contain Potentially Misleading and Exaggerated Claims.

Many of the advertisements and promotional mailers used by the seminar presenters implied a sense of urgency and a need to act quickly to make a seminar reservation. Statements found in the literature contained language such as:

- (a) You cannot afford to miss this workshop!
- (b) Seating is limited and reservations handled on a "first come, first served" basis;
- (c) These events fill very quickly;
- (d) You don't want to miss this exclusive presentation!
- (e) Available seating is quickly committed; and
- (f) You've never seen anything like this.

Even though the seminar presenters attempted to create a sense of urgency, on two occasions the undercover investigator made reservations the day before and the day of the seminar, and empty seating and available space were found at each of the 29 seminars investigated.

In addition, 87% of the seminar advertisements utilized scare tactics to attract seniors to the seminar by inferring that time was of the essence in order to prevent "costly" and/or "serious" investment mistakes. The following is a sample listing of some of the inflammatory and aggressive language used in the advertisements:

- 1. U.S. Treasury Secretary Paulson believes a "financial Crisis" is overdue – "A serious crisis that would be a blow to the U.S. Economy"
- 2. . . . rising prices, inflation, uncertainty in the Middle East and the stock market roller coaster . . .
- 3. Avoid Costly Mistakes That Cause Seniors To Lose Their Financial Independence!
- 4. *Are you ready for the next downturn?*
- 5. In 2007 millions of American retirees risk becoming financial victims of world events. The war in Iraq. Political unrest. The rollercoaster of oil prices. The stock market tightrope and the changing balance of power in the US, to name a few. What's here today may be gone tomorrow.
- 6. Avoid being **forced to sell your assets** and surrender your money to Medicaid.
- 7. Paying off your mortgage and contributing to an IRA/401k is a HUGE MISTAKE!

8. Considering the historically low interest rates, unusual market volatility, economic globalization, and the terrorism threat, there is no doubt these are uncertain times.
9. Avoid the IRA Tax Bomb that allows the IRS to wipe out up to 70% of your Retirement Accounts value in Taxes.
10. Avoid the most expensive mistake people make trying to pay for long-term care!
11. . . . receive the most up-to-date facts about several costly mistakes *your peers have already made* and weren't even aware they did!

In addition to scare tactics, 76% of the sales seminar promotional pieces reflected misleading and/or exaggerated claims that were used to induce attendance. These claims included:

1. Want an extra million??
2. Millions of baby boomers and seniors are greatly concerned;
3. HUNDREDS of people have attended our workshops; and
4. *Learn secrets that Wall Street will never tell you.*

Many of the advertisements also contained misleading statements regarding the liquidity, safety, or anticipated rates of return on the promoted products. These statements, often in large, bold, or italicized type, were used to quickly catch the attention of the advertisement recipient, and such statements included:

1. Guaranteed returns paying over 10% with no risk of loss;
2. Participate in Market Gains with no risk of losses;
3. Earn a guaranteed 13% over the next 12 months;
4. Save literally **thousands** on your IRA taxation – *legally*;
5. Tired of losing money? Learn how to invest in the Stock Market in these uncertain times without risk;
6. You will never run out of money during your retirement!

Some advertisements were also misleading in other ways. In an effort to instill a sense of confidence and trust, seminar advertisements and marketing materials often provided photographs and biographies of the person or persons supposedly presenting the seminars.

However, in at least one instance, the smiling, confident photograph displayed on the advertisement was not the same person who actually presented the seminar.

Not only are the above examples misleading, but in many instances the exaggerated or promissory statements would violate ethical standards imposed on registered securities agents and investment adviser representatives. Both FINRA and the State of Missouri have specific rules and regulations that address dishonest or unethical business practices by broker-dealers, investment advisers, and their respective agents and representatives. For example, FINRA Rule 2210

Of the 29 seminar promotional pieces or advertisements reviewed, 80% appeared to contain language that may be in violation of both FINRA and Missouri securities rules and regulations.

specifically states that no agent or his firm "may make any false, exaggerated, unwarranted or misleading statement or claim in any communication with the public."⁸ In addition, Missouri Rules 15 CSR 30-51.170 and 15 CSR 30-51.172 state that making "false, misleading, exaggerated or flamboyant representations or predictions" and/or guaranteeing that "a specific

result will be achieved (gain or no loss),"⁹ may be grounds for discipline or disqualification. Of the 29 seminar promotional pieces or advertisements reviewed, 80% appear to contain language that may be in violation of both FINRA and Missouri securities rules and regulations. It should be noted, however, that many of the seminar presenters were not FINRA members or registered with the Securities Division, and thus these advertising requirements and safeguards may not apply to them.

Many of the Presenters are not Properly Registered to Give Financial Advice and/or Recommendations Regarding the Purchase or Sale of Securities.

The seminar advertisements contained many statements that attempted to highlight the expertise of the individual presenting the seminar and his ability to offer financial planning and/or investment advice. However, Securities Division professionals determined that the majority of the presenters did not have the proper registrations under Missouri statutes to be able to offer financial planning services or make investment recommendations with regard to securities.

Only 41% of seminar presenters were registered to sell or offer advice regarding securities.

Only 41% of the seminar presenters were registered as either investment adviser representatives or agents of a broker-dealer. In addition, 28% were registered as life insurance and variable annuities salespersons, but not registered to sell traditional securities such as stocks, bonds or mutual funds, and roughly one-third of the seminar presenters investigated were only registered as life insurance salespersons.

Of the 41% of the seminar presenters registered as either an investment adviser representative or a broker-dealer agent, 83% also held life insurance and variable annuities registrations. The following is a breakdown of licenses held by the seminar presenters:

⁸ See FINRA Rule 2210(d)(1).

⁹ See 15 CSR 30-51.170(1)(H) and 15 CSR 30-51.172(1)(F).

1. 31% -- Life Insurance licensed only;
2. 28% -- Life and variable annuities insurance licensed only;
3. 17% -- Broker-Dealer Agent (Series 6-7, 63 licensed) with life and variable annuities insurance licenses;
4. 14% -- Investment Adviser Representative/Broker-Dealer Agent (Series 6-7, 65-66 licensed) with life and variable annuities insurance licenses;
5. 7% -- Investment Adviser Representative (Series 65 or 66 licensed) with life and variable annuities insurance licenses; and
6. 3% -- Investment Adviser Representative (Series 65 or 66 licensed)¹⁰ and Certified Public Accountant.

Many Presenters Use Questionable Credentials and Make Representations of Expertise in the Senior Market, Including the Use of "Senior Designations."

The seminar advertisements and marketing materials used during the seminars also highlighted other professional designations or credentials of the individuals presenting the seminars. These designations or credentials appear to have been used in an effort to impart a sense of ethical responsibility and an aura of expertise specifically in the senior market. Designations such as "member of the National Ethics Bureau," CSA (Certified Senior Advisor), CAA (Certified Annuity Advisor), CEP (Certified Estate Planner), CRPC (Chartered Retirement

¹⁰Series 63 - **Uniform Securities Agent State Law Exam** - Designed to qualify candidates as securities agents. The examination covers the principles of state securities regulation reflected in the Uniform Securities Act.

Series 65 - **Uniform Investment Adviser Law Exam** - Designed to qualify candidates as investment adviser representatives.

Series 66 - **Uniform Combined State Law Exam** - Designed to qualify candidates as both securities agents and investment adviser representatives.

Series 6 - **Investment Company Products/Variable Contracts Limited Representative Exam** - Qualifies a candidate for the solicitation, purchase, and/or sale of redeemable securities of companies registered pursuant to the Investment Company Act of 1940; securities of closed-end companies registered pursuant to the Investment Company Act of 1940 during the period of original distribution only; and variable contracts and insurance premium funding programs and other contracts issued by an insurance company.

Series 7 - **General Securities Representative** - Qualifies a candidate for the solicitation, purchase, and/or sale of all securities products, including corporate securities, municipal securities, municipal fund securities, options, direct participation programs, investment company products, and variable contracts.

Planning Counselor), and RDS (Retirement Distribution Specialist)¹¹ were used by 72% of the presenters. While the intent of most of these designations was to present the seminar speaker as an “expert” in the areas important to seniors, the investigators determined that the majority of these programs consist of either 2-3 days of classroom time or the equivalent in self-study courses with online exams, minimal continuing education requirements, and minimal investor complaint review and/or disciplinary processes.

In their investigations, the Securities Division also found that the CSA (Certified Senior Advisor) designation was used 41% of the time making it the most widely used and arguably most misunderstood designation used by seminar presenters. The CSA designation, offered by the Society of Certified Senior Advisors, requires attendance at a 3-1/2 day classroom course, or completion of a self-study program estimated to require approximately 26-35 hours of study time, and completion of a final exam.¹² In a December 12, 2005, news release, NASAA “urged seniors to carefully check the credentials of individuals holding themselves out as ‘senior specialists.’”¹³ This release highlighted an enforcement action by the Massachusetts securities regulators against a broker-dealer for the use of the CSA designation by one of its representatives. The representative indicated that “he had been specifically trained to manage and solve financial problems facing seniors,” and steered investors “toward investing in equity-indexed annuities as the best way to participate in stock market gains without risk.”¹⁴

The investments and financial services industry is littered with a variety of designations, acronyms and certificates which create the proverbial “alphabet soup” that consumers are left to decipher. While there are many reputable designations, certifications and licenses which signify special training and enhanced expertise, there are many designations which mislead consumers by implying training or expertise where it simply does not exist. In many instances, the seminar presenters claiming a special designation or certificate were not licensed to sell securities or provide investment advice, and were likely using the designation to bolster their credentials and fill a hole in their resumes.

Many Seminar Presenters Have Regulatory Disclosure Histories.

When checking the insurance and securities regulatory databases for each seminar presenter, Securities Division investigators discovered that over 50% of the presenters had a disclosable event on their record, and that those events combined for a total of 68 regulatory disclosures, which include the following:

¹¹ Although used by one seminar presenter, the investigators could find no record of any credentialing program for this designation.

¹² See <http://apps.finra.org/DataDirectory/1/prodesignations.aspx>

¹³ See NASAA News Release 121205, *Regulators Urge Investors to Carefully Check Credentials of ‘Senior Specialists,’* December 12, 2005.

¹⁴ Because of their complexity, long surrender periods, and steep penalties for early withdrawals, equity-indexed annuities are often unsuitable for many older investors, but a full discussion of the benefits and shortcomings of equity-indexed annuities is outside the scope of this report. However, it should be noted that equity-indexed annuities offer high commissions and are typically sold to persons at or nearing retirement.

- ◆ 17 *client complaints* concerning: unsuitable recommendations and/or trading; misrepresentation; negligence; breach of fiduciary duty; unauthorized trading; violation of FINRA Conduct Rules; churning; switching; forgery; fraud; and failure to disclose;
- ◆ 3 *criminal actions* involving battery, assault, and possession of gambling records of a kind used in the operation of a bookmaking scheme;
- ◆ 8 *securities regulatory actions* involving: commission splitting; misrepresentation; unsuitable sales; unsuitable recommendations; providing false or inaccurate information; providing investment advice without benefit of registration; fraud; excessive trading; false advertising; and unauthorized transactions generating excessive commissions;
- ◆ 1 *insurance regulatory action* involving failure to notify, causing false statements to be made on agent appointment applications, and demonstrations of incompetence and untrustworthiness;
- ◆ 5 *terminations* by employers due to: commission splitting with agent not registered with the same broker-dealer; violation of terms of solicitor's agreement; unsuitable trading and mishandling of client accounts; co-presenting investment information to seniors with an unregistered advisor; and unauthorized use of sales material prior to registration;
- ◆ 7 *bankruptcies*;
- ◆ 5 *employer internal reviews* regarding: acting as an investment adviser representative without registration; violation of solicitor's agreement; non-payment of loan from broker-dealer; unauthorized use of sales material prior to registration; and involvement in unauthorized outside business activities;
- ◆ 7 *NASD/FINRA investigations* concerning: violation of FINRA conduct rules regarding B-share sales; misrepresentation; fraud; negligence; unauthorized transactions; and false advertising;
- ◆ 1 *civil action* regarding a lien for payment of a debt; and
- ◆ 13 *firm/employer settlements* of client complaints.

SECURITIES DIVISION'S INVESTIGATIONS AND ENFORCEMENT ACTIONS

During 2006 and 2007, twenty-three (23) formal investigations¹⁵ were opened that involved, in part, attendance by seniors at investment seminars. Of the 23 matters, a total of seven (7) have resulted in enforcement actions to date:

1. **Girard Augustus Munsch, Jr. – Consent Order AP-07-49. (St. Louis area)**
Allegations of unsuitable recommendations and excessive trading in customers' accounts led to the Consent Order. Munsch agreed to pay fifty thousand dollars (\$50,000) in restitution for Missouri investors and fifty-five thousand seven hundred dollars (\$55,700) in fines and costs. In addition, Munsch's registration in Missouri as a securities agent was suspended for 21 days, and he will be under special supervision for four years.
2. **Capital Funding Management, Inc., Delbert R. Huelle, and Steven Edward Gwin – AP-07-40; First Nevada Marketing, Inc., Leatson B. Landes, and Steven E. Gwin – AP-07-35. (southwest Missouri)** Allegations of multiple violations of offering or selling nonexempt, unregistered securities, multiple violations of transacting business as an unregistered agent, and multiple violations of making an untrue statement or omitting to state material facts in connection with the offer or sale of a security led to the Orders. Gwin set up seminars targeting senior investors, ultimately diverting invested funds into special accounts that he controlled. As part of the final orders, Gwin was ordered to pay a total of thirty-six thousand dollars (\$36,000) in civil penalties, Landes was ordered to pay ten thousand dollars (\$10,000) in penalties, and Huelle was ordered to pay eight thousand five hundred dollars (\$8,500) in penalties. Both companies were also fined, and all respondents were ordered to pay a total of over eight thousand dollars (\$8,000) in costs.
3. **UBS Financial Services, Inc. – Consent Order AP-07-16; Christopher L. Walker and William T. Keen – Consent Order AP-07-37. (Kansas City)**
Allegations of failure to supervise Christopher L. Walker and William T. Keen led to the Consent Orders. Walker and Keen, former registered representatives of UBS, held a series of retirement seminars and meetings, convincing several Missouri residents that Walker and Keen could match or even exceed the residents' current salary if they retired and invested their retirement funds with Walker and Keen. Walker and Keen each agreed to pay fifty-five thousand five hundred dollars (\$55,500) in penalties and, in a separate consent order, UBS agreed to pay just under seven hundred thousand dollars (\$700,000) in restitution, payments, penalties, and costs.
4. **Brandon Leroy Stuerke and Guardian Financial Group – Cease and Desist Order AP-07-39 and Consent Order AP-07-39. (mid-Missouri)** Allegations of transacting business as an investment adviser and investment adviser

¹⁵ Not all of the specific cases described below arose from investigations undertaken as part of the 2006-07 investigation.

representative while unregistered led to the Consent Order, which states that Stuerke and Guardian will retain, at their expense, an outside consultant to study and make recommendations pertaining to their policies, procedures and practices. Stuerke and Guardian are required to review and enhance procedures to comply with the recommendations of the consultant and are required to pay one thousand five hundred dollars (\$1,500) as the cost of the investigation and their own costs and attorneys fees with respect to this matter.

5. **Barrington Capital Management, Inc. – Consent Order AP-07-01. (St. Louis)** Allegations of employing a solicitor, Michael Glenn Grimes, who acted as an unregistered investment adviser representative, led to the Consent Order. Terms of the Order state, in part, that Barrington shall sever all contractual ties and business relationships with Grimes and shall require all its Missouri solicitors to register as investment adviser representatives in the State of Missouri. Barrington's penalties and fines totaled approximately fourteen thousand dollars (\$14,000).
6. **Michael Glenn Grimes and Financial Solutions & Associates, Inc. – Cease and Desist Order AP-07-04. (St. Louis)** A hearing was held in this matter, which concerns allegations of transacting business as an investment adviser and investment adviser representative while unregistered. The Division is currently awaiting the Commissioner's findings of fact, conclusions of law, and order.
7. **Janet Ellingson – Consent Order AP-07-47. (St. Louis)** This matter involves allegations of withholding records, documents, electronic or physical evidence with the intent to impede, obstruct, avoid, evade, or influence an official investigation or administration of any other proceeding. The terms of the Consent Order state, in part, that Ellingson is required to complete in-house training regarding her duties and responsibilities with respect to communicating with federal or state investigators or regulators. Penalties and costs assessed totaled seven thousand five hundred dollars (\$7,500).

Sixteen (16) investigations remain open and under review for potential regulatory violations and future regulatory actions. The open investigations primarily concern the offering of investment advice without the benefit of registration, suitability issues, and excessive and exaggerated claims. Over half of the investigations involve insurance producers without securities registrations, and 67% of the agents and/or representatives involved in the investigations have a regulatory disclosure history, ranging from client complaints of churning, unauthorized trading, switching, fraud, and forgery, to criminal actions involving assault and possession of gambling records of a kind used in the operation of a bookmaking scheme.

KEY CONCERNS AND ISSUES TO ADDRESS

“Free Lunch” Investment Seminars are Marketed Toward and Attended by Seniors

U.S. statistics show that the number of incidences of financial fraud and sales abuse affecting the senior population is on the rise, and statistics gathered concerning senior “free lunch” investment seminars in Missouri tend to support the broader national findings. The investigators attended 29 seminars with approximately 30-35 persons at each seminar, for a total attendance of between 800 and 1000 persons. Because the investigators only attended a fraction of the known seminars and, given that there were dozens, possibly hundreds of seminars held without the Securities Division’s knowledge, it is reasonable to conclude that thousands of senior citizens and retirees in Missouri attend “free lunch” investment seminars every year.

Between 800 and 1000 people attended the 29 seminars investigated.

Equity Indexed and Variable Annuities are Common Products Pitched at “Free Lunch” Investment Seminars

“Free lunch” seminars are first and foremost sales seminars focused on the sale of a specific product; that product is often an equity-indexed annuity. While equity-indexed annuities were by far the most prevalent product promoted and marketed at the “free lunch” investment seminars investigated in Missouri by the SIPU, it is clear that other investment products can be the focus of similar seminars.

The 2007 NASAA, FINRA and SEC Free Lunch Report found that in addition to equity-indexed annuities, products such as variable annuities, real estate investment trusts, private placements of speculative securities (such as oil and gas interests) and reverse mortgages were commonly discussed at investment seminars across the country. Some of these additional products share characteristics with equity-indexed annuities that may make them unsuitable for many senior or retired investors, such as long lock-up periods, high fees and commissions, and a high level of complexity. “Free lunch” investment seminars can be conducive to marketing and promoting a variety of products, and attendees must be careful to research and examine any product and any presenter they encounter at such seminars.

Insurance Agents are the Most Frequent “Free Lunch” Investment Seminar Presenters

Equity-indexed annuities are primarily sold by insurance producers, rather than registered representatives of broker-dealers or investment advisers. Although attempting to espouse a high level of expertise in all areas of financial services that affect the senior market, insurance producers with no securities or investment background do not hold the registrations necessary to offer investment advice regarding the purchase or sale of securities. Many of the insurance salespeople selling these complicated and complex products to seniors by claiming questionable specialized designations and using “free lunch” seminars have a history of regulatory disclosures

and appear to operate “on the bubble,” offering investment advice to seniors without the benefit of registration.

After attending these seminars and examining the advertisements, mailers, and marketing materials used by the seminar presenters, and having considered the regulatory disclosure histories that were noted, the potential for unethical and/or unsuitable sales to seniors is apparent to the Securities Division.

“Free Lunch” Investment Seminars are Subject to Little Oversight and Insufficient Employer Supervision

“Free lunch” investment seminars are subject to little oversight and insufficient employer supervision because the main products promoted at “free lunch” seminars are often complex investments sold by insurance agents, rather than registered securities agents or representatives. Rules and regulations enforced by the SEC and FINRA combined with Missouri securities statutes place stringent supervisory and compliance restrictions on broker-dealers with regard to advertising and seminar materials. Broker-dealers are required to have policies and procedures in place that are designed to adequately ensure that marketing materials are in compliance with state and federal regulations, and broker-dealers are required to ensure that the agents they supervise only use compliance-approved materials. The Securities Division regulates both the broker-dealers and their agents (but not insurance producers), thus providing some investor protection against exaggerated, misleading, and/or unethical advertising.

In contrast, Missouri insurance regulations are enforced by the Department of Insurance, Financial Institutions and Professional Registration (DIFP), and individual insurance companies are responsible for the supervision of their appointed producers with regard to the marketing, solicitation and sale of their policies. There is no SEC-equivalent which serves as a federal regulator in the insurance industry, nor do insurance companies and their agents answer to a self-regulatory agency which fills a role like that played by FINRA in the securities industry. So, while combined regulation by the SEC, FINRA, the Missouri Securities Division, and consistent supervision by broker-dealer firms, creates a strong and consistent regulatory environment in the securities industry, insurance agents and the industry they work in are not subject to the same level of regulation and supervision.

Many of the national statistics cited in this report were garnered from the September 2007, report, *Protecting Senior Investors: Report of Examinations of Securities Firms Providing “Free Lunch” Sales Seminars*, based on a year-long examination performed by the SEC, NASAA, and FINRA. One notable difference in that study and this report pertains to the supervision of the seminar presenters. In the national study, 100% of the presenters examined were representatives of securities firms, and all of the seminar materials used by those representatives were subject to some compliance and regulatory oversight. However, as indicated earlier in this report, 69% of the Missouri seminar presenters were primarily

69% of Missouri Seminar presenters were primarily life insurance salespersons, not investment advisers.

life insurance salespersons, not investment advisers.¹⁶ Regulatory oversight of securities licensed professionals varies with that exercised over insurance licensed individuals because of the difference in the structure of the Securities Division and the DIFP within the state. *Company* oversight of registered representatives of broker-dealers, and that of insurance producers, may vary *greatly*, depending on the status of the agent or producer within the company. For example, an insurance company and/or broker-dealer may exert much heavier supervisory and compliance requirements on an agent or representative that is exclusive to that company, as compared to those financial services firms that retain independent contractors not exclusively tied to any one particular company.

When addressing the “free lunch” investment seminars, it is important to note that 100% of the seminars attended were presented by independent insurance producers and/or registered investment adviser representatives not exclusively tied to one broker-dealer. Also, it is important to note that independent insurance agents, who presented the majority of the senior seminars and who are the primary salespersons of equity-indexed annuities, had a total of 54 of the 68 regulatory disclosures.

The Securities Division has limited jurisdiction to act against insurance agents, even those with a history of regulatory disclosures, because insurance agents are regulated by the DIFP.

Seminar Marketing Materials Are Suspect

Upon examination, many of the seminar advertisements appear to be very similar. While the particular seminar logistics highlighted in a marketing piece may vary, the graphics and much of the basic text of several pieces appear to be “one-size-fits-all.” Insurance producers and registered representatives who are captive to one particular company or broker-dealer must use only firm-approved materials for their marketing; however, non-exclusive agents and representatives may utilize products from several different marketing agencies to produce their advertising materials. For a fee, these marketing agencies will insert your specific seminar information into “one-size-fits-all” fill-in-the-blank advertising. Some marketing agencies will even provide mailing lists, send flyers, and take reservations. There are approximately five different marketing companies that are primarily used by independent agents and representatives in Missouri, and it appears that there are few restrictions or guidelines in place for these agencies with regard to materials produced for use by a regulated industry.

The graphics and much of the text of several pieces investigated appear to be “one-size-fits-all.”

¹⁶ 10% of the seminar presenters were representatives of Missouri-registered investment adviser firms, which were generally sole proprietorships or small offices with two or three representatives.

RECOMMENDATIONS

1. Expand Oversight and Enforce Meaningful Regulations

Variable annuities and equity-indexed annuities are extremely popular and complex investment vehicles, with a variety of methods and conduits for marketing. Thus, effective, expansive oversight of these products at the retail level is critical.

Although statistics may vary with regard to annuities sold to Missouri residents, several points remain clear. According to NAVA, a nonprofit organization that provides annuity

In 2005, Missouri ranked 10th in the country in total sales of variable annuities.

information to its members and the general public, Missouri ranked 10th in the country in total sales of variable annuities in 2005, with sales totaling over \$3.5 billion.¹⁷ This total represents a 75% increase over total sales in 2004, when Missouri ranked 21st nationwide. In addition to the high sales volume, variable annuities expenses averaged approximately 73% higher than the expenses of mutual funds during that same year.

While the statistics for equity-indexed annuities do not reflect as high a volume of sales as variable annuities in Missouri, statistics from the DIFP¹⁸ reflect that sales of equity-indexed annuities in 2006 totaled over \$462 million, and soared over 203% from sales in 2003. Also, for the year 2006, 67.8% of the equity-indexed annuity market share was held by the following five (5) companies:

1. Allianz Life Insurance Company of North America (25.45%);
2. American Equity Investment Life Insurance Co. (11.99%);
3. Amerus Life Insurance Company (10.86%);
4. OM Financial Life Insurance Company (9.80%); and
5. ING USA Annuity and Life Insurance Company (9.73%).

Equity-indexed annuities continue to claim a larger share of the annuity market, and the regulation of equity-indexed annuities and the insurance producers who sell the majority of those annuities falls under the jurisdiction of the DIFP. The Securities Division investigates insurance producers who may be offering investment advice without the benefit of registration, but does not regulate equity-indexed annuities as a market product. More robust regulatory oversight of equity-indexed annuities by agencies with direct jurisdiction, and practical application of suitability rules, combined with the Securities Division's actions where available, would create the necessary comprehensive regulatory structure.

¹⁷ "2007 Annuity Fact Book: A guide to information, trends, and data in the annuity industry," 2007, NAVA, Inc. (6th Edition).

¹⁸ See DIFP Supplemental Data Reports, <http://www.insurance.mo.gov/reports/suppdata.htm>

2. Take Action on "Senior Designations"

The Securities Division should exercise its regulatory authority in the area of "senior designations." At the national level, NASAA and Massachusetts are making efforts to corral the use of designations that seem to impart a specialized area of knowledge where one does not exist by the enactment of rules governing the use of senior designations. In Regulatory Notice 07-43, FINRA indicated that Massachusetts regulations became effective June 1, 2007.¹⁹ Those regulations prohibit the use of senior-specific designations that are not accredited by a recognized accreditation organization. NASAA has concluded a public comment period on a model rule that would "mak[e] it a separate violation of law to use a designation or certification to mislead investors."²⁰ Missouri's Securities Division, and DIFP, should file and enforce similar rules.

3. Develop a List of "Best Practices" for Missouri Firms and Representatives

The October 1, 2007, issue of *BDWeek* highlighted eight "best practices" for broker-dealers and investment advisers who deal with the senior market, which were presented in a white paper by the National Society of Compliance Professionals.²¹ These best practices include, among others, the following:

- ◆ **Training.** A firm should mandate training for its registered reps and advisers to make them aware of age issues, including how one's age affects the ability to hear, understand, see and retain information that is exchanged in the normal course of the brokerage/advisory relationship.
- ◆ **Bigger print.** Use bigger print in materials destined for seniors, and use typeface and colors that make it easy to read.
- ◆ **New accounts information and updating.** Firms should consider specialized procedures in obtaining the information for new accounts with senior investors and for updating these accounts, such as having more than one person from the firm attending meetings, documenting all decisions, reviewing and updating investment objectives, etc.
- ◆ **Principal/supervisory responsibilities.** Line supervisors should be involved in the opening of new accounts for seniors or once a customer reaches retirement age. Supervisors should regularly interview representatives/advisers about senior accounts and should have special procedures for high-risk products such as annuities.

¹⁹ See <http://www.sec.state.ma.us/sci/setidx.htm> for a more complete discussion of the regulations.

²⁰ See footnote 13, FINRA Regulatory Notice 07-43, *Senior Investors*, September, 2007.

²¹ *BDWeek*, *NSCP white paper provides summary of compliance issues regarding seniors*, October 1, 2007.

- ◆ **Designee for senior issues.** Designate a person or committee to follow senior issues, much like an anti-money laundering designee, and to monitor concerns raised by AARP, Alzheimer's Association and other groups representing seniors.

Every opportunity should be taken to encourage firms and representatives to avail themselves of these and other best practices. This is especially important in the supervision of the marketing and sales of equity-indexed and variable annuities. The Missouri Securities Division should develop and distribute a list of "best practices" for Missouri firms and representatives.

4. Increase Oversight and Tools for the Missouri Securities Division to Protect Investors

Defining variable annuities as securities would also rein in and provide increased and needed regulation of senior investment seminars as a sales method. The Securities Division has launched important enforcement investigations that have resulted in meaningful enforcement actions concerning inappropriate variable annuities sales, despite being limited in the types of investigations it can bring. In 2006 and 2007, Division actions involving variable annuities resulted in approximately \$500,000 in restitution to Missouri investors and over \$300,000 in civil penalties and payments to the State. Currently, variable annuities are not specifically defined in Missouri law as securities, so the Division may only protect investors in instances where these products are offered or sold by agents also licensed to sell traditional securities. If variable annuities were defined as securities, the Securities Division would be able to better protect investors by regulating and taking action, when appropriate, against *any* salesperson, including insurance producers, in the areas of unethical business conduct. Applied to the actual practices covered by this report, if variable annuities were defined as securities, more of the seminar presenters would have fallen under the Division's direct jurisdiction, and the Division would have had its full regulatory authority over an additional 28% of the seminar presenters examined.

In 2006 and 2007, Division actions involving variable annuities resulted in approximately \$500,000 in restitution to Missouri investors and over \$300,000 in civil penalties and payments to the state.

CONCLUSION

Persons in or nearing retirement typically need and want good, sound financial advice. An investor's best interests are threatened or harmed, however, when "free lunch" seminars are not what they purport to be, are presented by individuals using questionable designations and with less than stellar regulatory records, and when they are nothing more than sales seminars pushing a very complicated and complex product upon an unsuspecting yet trusting investor. Although educational investment seminars that include a free lunch are not inherently defective or necessarily an inappropriate business practice, the Securities Division's year-long investigation into Missouri's "free lunch" investment seminar community indicates that many of these events fall into the category of harmful sales practices. As the sales of variable and equity-indexed annuities continue to be prevalent, the use of "free lunch" sales seminars to market these annuities to seniors will likely climb as well. In the end, seniors should approach free investment advice with caution and always know that it is okay to ask questions and spend time when making such important decisions. If an investment plan or seminar seems suspect, the Securities Division highly recommends that investors contact them with tips, questions or concerns.

The Securities Division will continue to monitor the persons presenting these senior sales seminars, the professional designations utilized, the marketing materials used, the claims made at the seminars, and the recommendations offered to individuals during later private consultations. The Securities Division should also be on continued alert for securities violations, primarily in the areas of unsuitability and offering investment advice without the proper registration. Finally, the Division should aggressively seek ways to continue to inform both the investing public and the firms and representatives that sell to them of the importance of marketing and selling products in an ethical and suitable manner. A combined effort by the Division, its regulatory peers, and the industry would offer the best defense against the increasing potential for senior financial abuse, and provide an opportunity for facilitating awareness and education to allow seniors to protect their own financial interests and hard-earned savings.

GLOSSARY OF TERMS

401(k) plan – A tax-deferred savings plan that allows an employer to match employee deposits into the account up to 100%.

Annuity – A contract sold by a life insurance company guaranteeing a future payment to the investor, usually starting at retirement. With a fixed annuity, the payments are in regular installments. With a variable annuity, the payments depend on the value of the underlying investments.

Asset allocation – Strategy for selecting various investment vehicles in order to spread risk among stocks, bonds and cash equivalents.

Bond – A certificate representing a loan of money to a corporation or government for a specific period in exchange for a promise to repay bondholders the amount borrowed plus interest.

Broker-dealer Agent – A representative who handles transactions related to investors' orders to buy and sell securities. They are licensed and registered by the state and usually earn commissions.

Churning – Excessive trading of a client's account which increases the broker's commissions, but usually leaves the client worse off or no better off than before.

Disclosable event – Events that are required to be reported under securities industry rules which generally include disciplinary actions, civil judgments and arbitration decisions, certain criminal convictions, customer complaints, employment terminations and other reportable information.

Diversification – A strategy for reducing risk by spreading investment money among a number of investment types and industries.

Equity-indexed annuities – A complex financial instrument in which the issuer, usually an insurance company, guarantees a stated interest rate and some protection from loss of principal, and provides an opportunity to earn additional interest based on the performance of a securities market index.

Financial Industry Regulatory Authority (FINRA) – Formerly NASD, the securities industry's largest self-regulatory national organization and the parent corporation of NASD Regulation and the NASDAQ Stock Market.

Individual Retirement Account (IRA) – Savings plans allowed by the IRS to promote retirement savings that provide tax advantages and increase the effect of compound interest.

Investment Adviser Representative – Provides advice on investments and securities, beyond the completion of transactions (like a broker), but might not be licensed to perform broker duties. Investment advisers must register with the Securities Division and FINRA. Professional designation: Registered Investment Adviser, RIA

Liquidity – The ease with which an investment can be converted into cash without a loss to principal.

Modern portfolio theory – A sophisticated investment decision approach in which investors focus on selecting portfolios based on their overall risk-reward characteristics instead of merely compiling portfolios from securities that each individually have attractive risk-reward characteristics.

Mutual fund – A company that invests the pooled money of its shareholders in various types of investments.

National Association of Insurance Commissioners (NAIC) – An organization of insurance regulators from the 50 states, the District of Columbia and U.S. territories.

National Society of Compliance Professionals – A nonprofit, membership organization dedicated to serving and supporting compliance officials in the security industry.

NAVA – An alliance of leading companies involved in the annuity and variable products industry.

North American Securities Administrators Association (NASAA) – An organization of securities administrators charged with enforcing securities laws and protecting investors from fraudulent investments.

Reverse mortgage – An arrangement in which a homeowner borrows against the equity in his/her home.

Securities and Exchange Commission (SEC) – An independent federal agency that governs the securities industry and enforces securities laws.

Senior Investor Protection Unit (SIPU) – A special unit of the Missouri Securities Division's Enforcement Section that includes attorneys, investigators, auditors and education specialists charged with protecting Missouri seniors from investment fraud.

Spend-down – Depleting private or family finances to the point where an individual is sufficiently poor to meet the eligibility criteria for Medicaid.

Stock – An investment that represents shares of ownership in a company.

Variable Annuity – A complex investment product, often described as mutual fund wrapped in an insurance policy. Under a variable annuity contract, an insurance company agrees to make periodic payments to you, beginning either immediately or at some future date.



MISSOURI INVESTOR | **Senior**
PROTECTION CENTER | **Unit**
SECRETARY OF STATE: ROBIN CARNAHAN

Investor Protection Hotline: 800-721-7996
www.MissouriSafeSavings.com

Presenter	No.1	No. 2	No. 3	No. 4
Office Location	St. Louis	Springfield	Columbia	Springfield
Licenses	RA, Life, VA	RR,RA,Life,VA	RR,RA,Life,VA	RR,Life,VA
Other "Credentials"			CSA	CSA
Disclosure History	2 criminal actions	none	2 complaints 1 regulatory action 1 termination	1 bankruptcy
Seminar Location	St. Louis	Springfield	Jeff City	Springfield
How Advertised	mailers	mailers	newspapers; mailers	mailers
Claims Made in Advertisements, seminar materials, sales literature	"paying off your mortgage and contributing to an IRA/401k is a HUGE MISTAKE!"; complimentary copy of "Missed Fortune 101"; learn advanced strategies barely known to most people			
Target Population	seniors;mortgagees 401(k)/IRA contributors	Retired or retiring soon	senior	seniors
Primary Product	EIAs;			

No.5	No. 6	No. 7	No. 8	No. 9
St. Louis	Independence	Jeff City	Overland Park, KS	Springfield
deficient RA pending RA Life	RR,RA,Life,V A	RA,CPA	Life	RR,Life,VA
CSA			CSA	CAA
1 internal review 1 NASD investiga. 1 termination	none	1 regulatory action	none	2 bankruptcies
Labadie	Independence	Holt's Summit	Warrensburg	Springfield
mailers; newspaper; internet	mailers	mailers	mailers	mailers
"How to Never Outlive Your Retirement Income"; a "Financial Crisis" is Overdue; Severe Market Declines (-15% or more) happen about every 2 years; The One Seminar your current advisor DOES NOT! Want you to attend; ELIMINATE TAXES on your Social Security; Eliminate Investment Fees; Eliminate market LOSSES; Make your MONEY absolutely "SAFE"	FRIB; Financial Guide; Give-aways	Thousands of investors and retirees have achieved their personal financial goals due to his informative presentations and superior and dependable counsel; a local firm with National Recognition	Guaranteed returns paying over 10% with no risk of loss	Eliminate market risk & avoid the downside of the stock market; Free booklet: How to Potentially Reduce or Eliminate the Tax on Social Security Income
Retired or ready to retire	seniors	Retirees	seniors	seniors
EIAs	EIAs	Dimensional Funds; modern portfolio theory	EIAs; fixed annuities; LTC ins.	EIAs; LTC ins.

No. 10	No. 11	No. 12	No. 13	No. 14
St. Peters	St. Louis	St. Louis	St. Louis	Overland Park, KS
Life	Life, VA	RR, Life	Life, VA	Life
	CRPC	RFC, CSA	RFC; Natl. Ethics Bureau; Million Dollar Round-table; Intl. Assn. of Regis. Finan. Consultants	CSA; National Ethics Bureau
none	1 ins. regulatory action 8 complaints 2 internal reviews 2 NASD investigas.	none	1 complaint	none
St. Charles	St. Louis	St. Louis	St. Louis	Camdenton
mailers	mailers; fax	mailers	mailers	mailers
"Avoid Costly Mistakes that Cause Seniors to Lose Their Financial Independence!"; keep your assets protected and your retirement secure; \$49.95 tax preparation-- Senior Special	SPECIAL BONUS--learn how you can earn a guaranteed 12.75% for the next 12 months; HUNDREDS of people have attended our workshops in the past 12 months!; "More Money, Less Taxes"		Earn 13% Guaranteed -- Limited Time; will 2007 or 2008 be the year that Wall Street gets "corrected"? Learn how to avoid losses, increase your income, and experience peace of mind!	Expert on retiree and senior issues; Nothing will be sold; NO cost or obligation; we guarantee it will be time well spent; you will get information you haven't seen at other workshops; SAVE literally thousands on IRA taxation; reduce or eliminate tax on Social Security benefits; a simple change that will save your family thousands of dollars
seniors	seniors	seniors	over 55	55 or older
EIAs	EIAs	EIAs	EIAs	EIAs

No. 15	No. 16	No. 17	No. 18
Kansas City	Shawnee, KS	Springfield	Overland Park, KS
Life	Life	RR, RA, Life, VA	RA, Life, VA
	RFC, CEP	CFP, CSA	RFC, RDS; well-known financial author
1 internal review 1 termination	none	1 civil action	1 bankruptcy
Kansas City	Columbia	Springfield	Kansas City
mailers	mailers	mailers	mailers
In 2007 millions of American retirees risk becoming financial victims of world events; what's here today may be gone tomorrow; Arm yourself against the IRS and needless taxes; Social Security and the gift-horse; many more eye-opening strategies; no attempts to sell specific products; No Brokers Please; \$49 1040 preparation; free State tax preparation	Protection from Medicaid seizure of assets; learn how to invest in the Stock Market in these uncertain times without risk; "probate proof" your estate	Well known financial educator in Missouri; no cost or obligation, no pressure; nothing offered for sale	Historically low interest rates, unusual market volatility, economic globalization, and the terrorism threat, there is no doubt these are uncertain times; Earn high returns on your money and eliminate annual taxes on earnings; Avoid being forced to sell your assets and surrender your money to Medicaid; No sales presentation... Guaranteed!
retirees and those within 5 years of retirement	seniors, retirees	seniors w/over \$100K in IRAs or investable assets	55 and older with investment portfolios of \$100K or more
EIAs	EIAs		EIAs

No. 19	No. 20	No. 21	No. 22
Lenexa, KS	St. Louis	Frisco, TX	Jeff City
Life	Life	Life, VA	Life
CSA		CSA, CLA Certified Planners	Member Natl. Ethics Bureau; specializes in elder planning and senior services
none	none	none	none
Warrensburg	St. Louis	Springfield	Osage Beach
mailers	mailers	mailers	mailers
Guaranteed returns paying over 10% with no risk of loss	Nothing will be sold and there is NO cost to attend; reduce or eliminate taxes on social security; generate guaranteed life income you can never outlive; come hear 18 years of knowledge and experience; important new strategies and laws that concern only seniors and retirees		Avoid Medicaid trap; avoid the IRA Tax Bomb that allows the IRS to wipe out up to 70% of your retirement accounts value; get market returns without market risks; advantages and disadvantages of Banks; learn the 3 things your broker doesn't want you to know about variable annuities; NO attempts to sell specific products; You Cannot afford to miss this workshop!
seniors	retirees only	seniors	60 and over
EIA; LTC ins.; fixed annuities	EIAs	EIAs	EIAs; fixed annuities; LTC ins.

No. 23	No. 24	No. 25
St. Louis	Overland Park, KS	Boonville
Life, VA	Life, VA	Life, VA
CSA	PhD	
none	1 Ks. regulatory action 4 NASD arbitrations 13 settlements 1 internal review 1 termination 1 bankruptcy	1 bankruptcy
St. Charles	Overland Park, KS	Jeff City
mailers; newspaper	mailers	mailers
Don't Go Broke In A Nursing Home! Use a government backed program to pay for long-term care insurance without touching one penny of your income, savings or investment dollars! Use a government backed program to access tax-free cash and increase spendable income - without touching your assets; How you may dramatically increase your interest earnings while safeguarding your investments from risk! How to leave your IRA TAX-FREE to your heirs!		If you hated what Wall Street did to your portfolio, wait till you see what Medicaid could do to your Nest Egg!! Did you know your IRA/401(k) can be taxed twice, leaving your beneficiaries with just a fraction of your hard-earned savings? Lowering and/or eliminating taxes on Social Security, interest income, capital gains, and more! NOTHING will be sold at this seminar; Hurry! don't wait until it's too late to do something to protect yourself
retirees and those about to retire	seniors	60 and over
EIAs; reverse mortgages; other	EIAs	EIAs

No. 26	No. 27	No. 28	No. 29
Harrison, AR	St. Louis	St. Louis	Lake Ozark
RR,Life,VA	Life,VA	RR,RA,Life,VA	Life,VA
		CSA	CSA
4 complaints 1 regulatory action (revocation by AR) 1 bankruptcy	none	none	2 complaints 1 termination
Springfield	St. Charles	St. Louis	Lake Ozark
mailers	mailers	mailers	mailers
You can receive stock market like returns without any risk! You will never run out of money during your retirement! You can significantly reduce your income taxes! BONUS INFORMATION -- How to stop probate, unwanted relatives, and others from raiding your assets!!! There will be NOTHING sold at this workshop, guaranteed! This may be the best thing you can do for yourself and your family this year.	Don't Go Broke In A Nursing Home! Use a government backed program to pay for long-term care insurance without touching one penny of your income, savings or investment dollars! Use a government backed program to access tax-free cash and increase spendable income - without touching your assets; How you may dramatically increase your interest earnings while safeguarding your investments from risk! How to leave your IRA TAX-FREE to your heirs!		Reduce or eliminate social security taxes, IRA taxation and income taxes; dramatically increase your interest earnings; no cost or obligation to you; hear facts, not opinions
retirees	retirees and those about to retire	seniors	near or already retired
FIAs	FIAs; reverse mortgages; other	reverse mortgages	FIAs

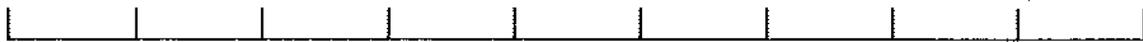
Registrations:

RR = Registered Representative **IA** = Investment Adviser Representative **Life** = Life Insurance **VA** = Variable Annuities

"Credentials":

CFP = Certified Financial Planner **CSA** = Certified Senior Advisor **RDS** = Retirement Distribution Specialist

CEP = Certified Estate Planner **RFC** = Registered Financial Consultant **CRPC** = Chartered Retirement Planning Counselor **CAA** = Certified Annuity Advisor



**Paying off your mortgage and contributing
to an IRA/401k is a HUGE MISTAKE!**
Learn how to take money out of your 401k or IRA with little or NO TAXES!

BUCKS
1165 Technology Drive, O'Fallon, MO 63368
(Off Highway 40-61, North on K and left on Technology Drive)

**Thursday, May 3rd - Tuesday, May 8th
or Wednesday, May 9th**

6:15 PM

Limited to first 40 people

Call 1-800-449-2237 for reservations.

Speakers will be
Advisor and

Registered Investment
Wealth Manager of

... Their firm,

is located in Chesterfield MO and specializes in
helping people optimize their retirement and financial plans
through advanced strategies barely known to most people.

Most people question the decision they are making today financially. What is the best way to pay your mortgage? Are you planning for your retirement or Uncle Sam's? These questions and many more will be answered. This is an advanced financial seminar designed to answer critical questions such as:

- Should I make extra principal payments on my mortgage?
- Want an extra million? Put your equity to work for you.
- How can I get the most value out of my retirement plan when I retire?
- How can I avoid losing up to 45% of my retirement plan distributions to taxes and penalties?
- How can I accumulate, access and transfer my money, tax-free?
- Why the "interest only" loan could be your friend - not foe.
- How to grow your money, linked to the market, enjoying its upside potential, yet be protected against losses.

LEARN WHAT THE RICH TEACH THEIR KIDS ABOUT MONEY...
AND WHAT THE POOR AND MIDDLE CLASS DO NOT!

Caution: Before you make another mortgage payment, add money to your IRA or 401k, learn why these are the BIGGEST MISTAKES ever!

Attendees will receive a complimentary copy of *Missed Fortune 101*.



Join us at



for a **FREE** Dinner Presentation

Call 1-800-449-2237 for reservations.

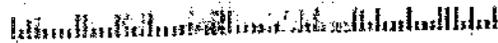
"Confirmed" Reservations Required

Chesterfield, MO 63017

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3019



**Paying off your mortgage and contributing
to an IRA/401k is a *HUGE MISTAKE!***
Learn how to take money out of your 401k or IRA with little or NO TAXES!

Join us for a **Free Gourmet Dinner** Presentation at:



10205 Gravois Rd, St. Louis Mo. 63123

located at the intersection of Laclede Station Rd. and Gravois Rd.
Approximately 1/3 mile east of Grant's Farm.

**Thursday Sept. 6th OR Wednesday, Sept. 12th
6:15 PM**

NOTE: No One Admitted After 6:20 PM, Thank You!

Restaurant Dress Code: *No Denim or Shorts, Please.*

Call 1-800-449-2237 for reservations.

Most people question the decisions they are making today financially. What is the best way to pay your mortgage? Are you planning for your retirement or Uncle Sam's? These questions and many more will be answered at a Free Dinner Presentation. This is an advanced financial seminar designed to answer critical questions such as:

- Should I make extra principal payments on my mortgage?
- *Want an extra million?* Put your equity to work for you.
- How can I get the most value out of my retirement plan when I retire?
- How can I avoid losing up to 45% of my retirement plan distributions to taxes and penalties?
- How can I accumulate, access and transfer my money, *tax-free?*
- Why the "interest only" loan could be your friend—not foe.
- How to grow your money, linked to the market, enjoying its upside potential, yet be protected against losses.



**LEARN WHAT THE RICH TEACH THEIR KIDS ABOUT MONEY...
AND WHAT THE POOR AND MIDDLE CLASS DO NOT!!**

No Agents or Brokers Please.

**Caution: Before you make
another mortgage payment,
add money to your
IRA or 401k,
learn why these are the
BIGGEST MISTAKES ever!**



Join us for a *Gourmet Dinner* Presentation
Call 1-800-449-2237 for reservations.
"Confirmed" Reservation Required

Chesterfield, MO 63017

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Severe Market Declines (-15% or more)
happen about every 2 years* Last in October 2002

*Capital Research 12/2005

FREE DINNER SEMINAR

**GRAFF
GRIFF**

**OUTBACK
STEAKHOUSE**

Tuesday, October 23rd, 3:00 pm
No Res. Just Eat!
Thursday, October 25th, 3:00 pm
No Res. Just Eat!
Friday, October 26th, 3:00 pm
No Res. Just Eat!

Don't miss this opportunity to make reservations

800-477-1267

It's a feast to be had...

...and it's yours to enjoy.

...with a side of...

...of the finest...



**FREE DINNER
FOR TWO!**

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**"How To Never Outlive
Your Retirement Income"**



070937 0000005076



**GETTING READY TO RETIRE?
ALREADY RETIRED?**

**"How To Never Outlive
Your Retirement Income"**



*Complimentary
educational dinner
event for people
ages 50-80*



Join us for a complimentary educational dinner event that will help show you **strategies to not outlive your retirement assets**. Millions of baby boomers and seniors are greatly concerned with the potential to outlive their money. **Come and learn how to have guaranteed income for life.**

At this event you will learn:

- How To Have Guaranteed Income For Life From Your 401k, IRA & Retirement Assets*
- How To Protect Your Retirement Assets In Any Market Condition
- How To Never Outlive Your Money
- How To Make Smart Decisions With Your 401k Rollover
- How New IRA Laws Can Affect You And Your Family
- How To Receive FREE Help With Company 401k Rollover Forms

Come and learn new strategies to help protect your retirement assets and income for your future lifestyle. Our educational events fill up fast so **make your reservation today!**

Call (800) 417-1267 for your reservation 24/7

2220 07-0937



1644 Country Club Plaza
St. Charles, MO

- Monday, May 14th 5:00pm
- Wednesday, May 16th 5:00pm
- Thursday, May 17th 6:00pm



*We will discuss general retirement planning products such as annuities, long term care, and life insurance for proper suitability. Annuities contain limitations including withdrawal charges, cap limits, fees and a market value adjustment which may affect contract values. 10334

U.S. Treasury Secretary:

Paulson believes a "Financial Crisis" is Overdue*

*Gardell & Co. 11/05

"A serious crisis that would be a blow to the U.S. Economy"*

FREE DINNER SEMINAR



1644 Country Club Plaza
St. Charles, MO 63303

Thursday, May 17th • 6:00 pm

OR



No Rules. Just Fight.

4002 Winghaven Blvd
O'Fallon, MO 63356

Tuesday, May 22nd • 3:00 pm

Wednesday, May 30th • 3:00 pm

Thursday, May 31st • 3:00 pm

Please call to make reservations

1-800-417-1267

Join us to learn how to:

- Avoid **LOSSES** during all Market Declines.
- Overcome the Fears of "Outliving" your retirement assets.
- Considerably reduce your taxes on Social Security and dividend income.
- Cover nursing home expenses without paying hefty premiums.

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**Second
Notice**

http://www.outbacksteakhouse.com

Special Distribution

Retirement Strategies and Asset Protection Dinner

You are cordially invited to attend the premier retirement investment strategies workshop in Springfield, which includes a complimentary three-course dinner.

Exclusively for those with over \$100,000 in IRAs or investable assets.

The truth about retirement planning... avoid costly mistakes retirees often make with their IRAs, Annuities, CDs, Mutual Funds, Stocks, Bonds, Real Estate and other retirement investments.

During this Dinner we will discuss alternatives that may help you preserve your capital, decrease your risk exposure, and reduce your tax burden. You'll leave with useful information, such as how to potentially:

- ...Utilize the 3 keys to tax-efficient investing to drop your taxes 40 to 66%, based on LTCG rates.
- ...Avoid taxes on up to \$250,000 of your IRA withdrawals using tax credit strategies.
- ...Eliminate capital gains taxes and estate taxes using trust strategies.
- ...Receive long-term care benefits without losing your hard-earned assets.
- ...Avoid paying income taxes on your Social Security income.
- ...Avoid the 5 "Landmines" of Estate Planning.
- ...Is a Conversion Roth IRA appropriate for you to avoid income taxes on any future gains?
- ...Lower your fees and increase your potential returns through Indexing Alternatives.
- ...Increase your retirement income and reduce your risks using a Nobel Laureate's research.
- ...Reduce income taxes by allowing your IRA beneficiary to stretch distributions over 50 years using an IRA Legacy Trust.

Speaker:

, CFP®, CSA

Is a Drury University graduate and is a well known financial educator in Missouri. He is a CERTIFIED FINANCIAL PLANNER™ Practitioner and CERTIFIED SENIOR ADVISOR. is the branch manager and registered representative offering securities through the largest independent broker/dealer in the country.

We have enclosed four (4) complimentary tickets for you and three (3) guests.
If you have previously attended, please give your tickets to friends.

There is no assurance that these techniques are suitable for all investors or will yield positive outcomes. While purchases of certain securities, which involve risk and costs, may be required to effect some of these strategies, leave your checkbook at home; there is absolutely no pressure, no cost or obligation, and nothing will be offered for sale at this workshop. Satisfaction is guaranteed.

Seating is limited; therefore, pre-registration is required. Guarantee your reservations today by calling (800) 810-2072 and giving the code below. Reservations are open 24 hours a day!

DINNER

Thursday
June 15, 2006
6:00 pm

OR

DINNER

Tuesday
June 20, 2006
6:00 pm

LOCATION

Metropolitan Grill
2931 East Battlefield Street
Springfield, MO

Your RSVP Code #

Each workshop includes a complimentary three course dinner. Call (800) 810-2072, and give the code to guarantee your reservations!

Springfield, MO 65804

BR3099



Special Invitation...
Please Be Our Guest!



SENIOR FINANCIAL SURVIVAL WORKSHOP
Year 2007 Update of Income Taxes, Probate, Federal Estate
Tax Guidelines to Help Protect You From Nursing Home Expense.

You are cordially invited to attend a **FREE WORKSHOP.**

If you are 60 or over: You Cannot afford to miss this workshop!

There are Federal Tax Laws that will enable you to avoid paying thousands of dollars out of your pocket for taxes, probate and nursing home costs. The government will not notify you of your eligibility. You must find out for yourself.

Outback Steakhouse

3930 Highway 54 • Osage Beach, MO 65065

Tuesday, April 24th, Wednesday, May 2nd or Tuesday, May 8th at 10:30 AM

- ▶ **AVOID THE MEDICAID TRAP:** How to help protect your assets from Catastrophic illness and Nursing Homes without purchasing Nursing Home Insurance.
- ▶ **LEARN:** Facts about what is exempt from Nursing Home Attachment.
- ▶ **TAXES:** How to lower or eliminate taxes on Social Security, Interest Income, Capital Gains and Taxes upon death.
- ▶ **IRA, 401K:** Avoid the IRA Tax Bomb that allows the IRS to wipe out up to 70% of your Retirement Accounts value in Taxes.
- ▶ **HOW TO:** Get market returns without market risks.
- ▶ **PROBATE:** Trust, Lawsuits and Legal Issues.
- ▶ **WALL STREET:** Myths and Facts.
- ▶ **BANKS:** Advantages and Disadvantages.
- ▶ **VARIABLE ANNUITY OWNERS:** Is your annuity charging you outrageous fees? Learn the 3 things your broker doesn't want you to know.

The Senior Financial Survival Workshop is presented by _____ specializes in elder planning and senior services. Come hear facts, not theory ... strategies designed to work. This is an educational workshop with NO attempts to sell specific products, and there is no cost or obligation. We guarantee it will be time well spent.

You must R.S.V.P. in advance of Workshop event date. Seating is limited.

Guarantee your reservations by calling **(800) 441-7078** today!

Agents / Brokers not permitted to attend.

SENIOR FINANCIAL SURVIVAL WORKSHOP
Year 2007 Update of Income Taxes, Probate, Federal Estate
Tax Guidelines to Help Protect You From Nursing Home Expense.

*Free Lunch
Workshop*
at

Jefferson City, MO 65109



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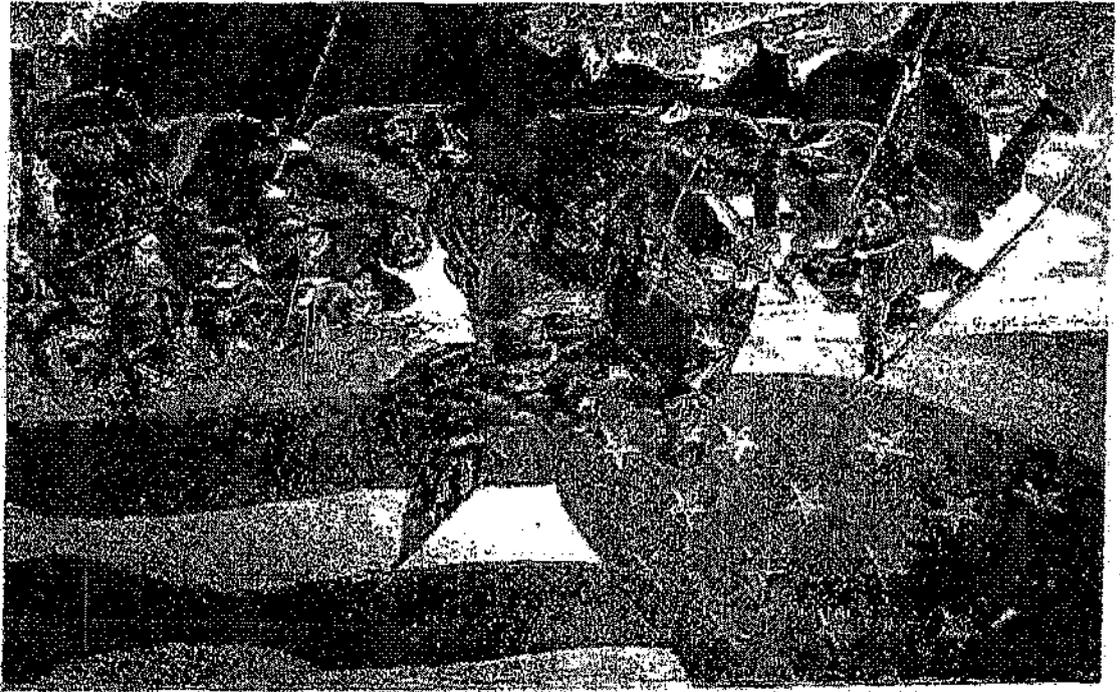
3930 Highway 54
Osage Beach, MO 65065

Tuesday Wednesday Tuesday
April 24 May 2 May 8
10:30 am 10:30 am 10:30 am

Registration begins at 10:00 am

**RSVP today by calling
(800) 441-7078!**





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LUNCH
 Wednesday
 October 17, 2007
 10:10 am

DINNER
 Thursday
 October 18, 2007
 4:10 pm

LUNCH
 Wednesday
 October 17, 2007
 10:10 am

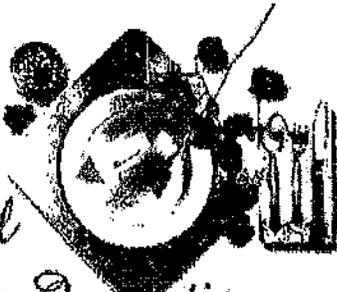
DINNER
 Thursday
 October 18, 2007
 4:10 pm

LOCATION
Hampton Inn
 900 Kansas Avenue • Clinton, MO 64735

LOCATION
Hampton Inn
 900 Kansas Avenue • Clinton, MO 64735

Harrison, AR 72601

A
Special
Dining Invitation



If You Are Looking For Ways to
Potentially Increase Income, Reduce
Taxes, Build Wealth and Protect Your
Family's Future Financial Security...

Join Me for a Free Gourmet Dinner!

28



Dear

You are personally invited to join me and other guests for a FREE dinner and informational workshop. I have designed this workshop exclusively for retirees, like you, who are serious about taking action to secure their financial futures - and their family's well being. I will be covering issues and topics of particular importance to you as you face the unique financial challenges ahead.

Topics to be discussed will be how:

- You can receive stock market like returns without any risk!
- You will never run out of money during your retirement!
- You can significantly reduce your income taxes!
- You can increase your monthly income (if needed)!
- Pass your retirement accounts on to your children or grandchildren without losing as much as 70% in taxes!
- To develop a unique comprehensive financial plan absolutely free!

BONUS INFORMATION

How to stop probate, unwanted relatives, and others from raiding your assets!!

There will be **NOTHING** sold at this workshop, guaranteed! However, due to the popularity of this workshop, the available seating is quickly committed and reservations are required. If married, please bring your spouse, and feel free to bring a couple of other retirees whom you think may also benefit from this program. Please call, **Toll-Free, 1-866-232-4135 NOW** for reservations.

Workshop Schedule

<u>DINNER</u>		<u>LOCATION</u>
Tuesday	<i>AT</i>	<i>College of the Ozarks</i>
July 17 th , 2007		100 Opportunity Avenue
5:30 PM		Point Lookout, MO 65726



<u>DINNER</u>		<u>LOCATION</u>
Thursday	<i>AT</i>	<i>Golden Corral</i>
July 19 th , 2007		2020 East Primrose Street
5:30 PM		Springfield, MO 65804



This may be the best thing you can do for yourself and your family this year. I look forward to meeting you at the seminar.

Sincerely,

PS: I had full attendance at my last workshop. Call **NOW** to hold your seats and enjoy a free dinner for your time.

Workshop Confirmation
Wednesday September 26, 2007
Stoney River
6:15 P.M.

**Paying Off Your Mortgage and Contributing to an
IRA/401K is a HUGE MISTAKE!**

Thank you for registering for the upcoming workshop at Stoney River in Chesterfield, MO. The workshop will start promptly at 6:15 p.m. and last to approximately 8:45 p.m. Complimentary dinner and dessert will be served so please let us know if you are unable to attend.

At this workshop you will learn the following:

- Want an extra Million? Put your equity to work.
- Could paying off your mortgage be one of your biggest mistakes ever?
- Should you make extra principal payments on your mortgage?
- How can I take money out of my IRA with little or no taxes?
- How can I transfer my 401K or IRA to my children with no tax burden to them?
- How can I increase my retirement income by 50% without raising my taxes?
- How can I receive the most out of my retirement plan?
- How can I avoid losing up to 50% of my retirement plan (401K and IRAs) distribution to taxes and penalties?
- How can I receive tax-free income in retirement?
- Why the interest only loan could be your friend---not foe.

Directions From the East- Take Highway 40 to exit #19B. Turn Left onto Clarkson Rd. Then Make an Immediate Right onto Chesterfield Center East.

From the West- Take Highway 40 to exit #19B. Make an Immediate Right onto Chesterfield Center East.

We will be calling the day before the event to verify attendance. Please note that no one will be seated after 6:20 p.m. Please arrive early. This event is an informational meeting and *nothing will be sold at this event.*

If you are unable to attend, please call 1-800-449-2237, so that we can seat someone from our waiting list.

Getting ready to retire? Already retired?

JOIN US FOR A COMPLIMENTARY DINNER SEMINAR

OUTBACK
STEAKHOUSE®

April 12, 17, 19, 24 @ 3pm
ELLISVILLE

Special educational event for people ages 50-80

"How To Never Outlive Your Retirement Income"



AT THIS EVENT YOU WILL LEARN:

- How To Have Guaranteed Income For Life From Your 401k, IRA And Pension Plan*
- How To Protect Your Retirement Assets In Any Market Condition
- How To Make Smart Decisions With Your 401k And Pension Plan Roll over
- How New IRA Laws Can Affect You And Your Family
- How To Receive FREE Help With Company 401k Roll over Forms

RESERVATION REQUIRED

Call Today 800-805-8114

*Annuities contain limitations including withdrawal charges, cap rates, fees and a market value adjustment which may affect contract values. The Lifetime Pay SMA is not an optional benefit for which a premium is charged. The Lifetime Pay SMA is a Form MCR 201 (2/6/05) or later version issued by Company Des Moines, Iowa 50319.

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- Understand new tax laws that affect seniors.
 - Shop for bank CD & savings rates.
 - Avoid the expense, publicity & timeliness of probate.
 - Review Rx drug costs.
 - How to eliminate market risk & avoid the downside of the stock market.
 - Review your long-term care alternatives.
 - Better manage your investments and fixed income.
 - Beware of the good, the bad & the ugly of annuities.
- **FREE Booklet: How to Potentially Reduce or Eliminate the Tax on Social Security Income**
 - **Dinner Provided**
 - **Door Prizes**

ALL ABSOLUTELY FREE!

RSVP 1-877-500-6700

SEATING IS LIMITED.

CAA, President of _____ with Missouri offices in Springfield and El Dorado Springs, is one of the area's best-known financial educators. A specialist in retirement and estate planning, _____ has been the keynote speaker at Financial and Aging Gracefully educational conferences in the Missouri-Kansas area to retirees and those preparing to retire. _____ is a devoted family man. He and his wife _____ of 38 years enjoy their six children, their spouses, and fifteen grandchildren.

For several years _____ has answered a wide range of financial questions for a growing following on his weekly radio show, "_____" on KESM 105.5 FM and 1580 AM. He has appeared several times on the radio show, "Insurance Beat," to field questions pertaining to retirement planning on Hot Talk Radio 1510 AM in Kansas City. _____ conducts classes for his professional peers by invitation throughout the nation on "Planning (Common Sense) Basics and Safe Investing in Volatile Markets."

_____ offers a wide variety of financial publications including their own 75 page, easy-to-read "Tax, Retirement, and Estate Planning Guide."

DON'T MISS THE OPPORTUNITY TO SEE THIS CANDID SPEAKER EDUCATE SENIORS ON TODAY'S MOST CURRENT FINANCIAL ISSUES.

THIS PROGRAM IS FOR EDUCATIONAL PURPOSES ONLY.

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St. Louis, MO 63123



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"Gains that never experience a loss will out-perform a volatile stock market."

Over the past 25 years, the stock market has averaged 13.00% annually according to the Wall Street Journal². However, the average investor has captured only 3.51-6.80%. The market has hit an all time high, will 2007 or perhaps 2008 be the year that Wall Street gets "corrected"? *Are you ready for the next downturn?*

Learn how to avoid losses, increase your income, and experience peace of mind!

We personally invited to join us for an entertaining, informative, free dinner and seminar. We have designed this seminar exclusively for people like you, covering issues unique to the financial challenges you face. *Knowledge is power - resolve to take control of your retirement.* This presentation will address four critical issues:

- **Volatile Market Conditions:** How to grow your retirement - *without market risk.*
- **Longevity:** How to make your money last as long as you live - *and never run out.*
- **Income:** How to increase your spendable income - *and keep your current lifestyle.*
- **Opportunity:** How to take advantage of market gains - *while avoiding losses.*

SPECIAL BONUS - you will see how to earn a guaranteed 13% over the next 12 months. *This is a limited time offer.*

"Protecting Your Profits" will be presented by _____ owner of _____ has 18 years of experience and comprehensive knowledge of retirement issues. Due to its popularity, available seating is quickly committed and reservations are required. You must be 55 or older to attend and if married, both husband and wife should attend. Seating is limited. Please arrive 10 minutes early. Only confirmed reservations will be admitted.

CALL NOW, 1-800-769-1486 toll-free, 24-hours for reservations.

Workshop Location:

Bartolino's - 5914 S. Lindbergh - St. Louis, MO - 63123

DINNER

Wednesday

September 26, 2007

5:05 pm

DINNER

Tuesday

October 2, 2007

5:35 pm

DINNER

Tuesday

October 9, 2007

5:05 pm

Have you ever seen anything like this - learn the best thing you can do for yourself and your family. Come see why attendees agree that this is the best financial workshop they have ever attended.

Sincerely,



1 - Guaranteed first-year rate; 2 - Dalbar, Inc. as reported in the Wall Street Journal, August 29, 2004

"Seven Ways Retirees and Seniors Crack Their Nest Eggs"

our speaker, _____ is a Certified Senior Advisor® and a member of the National Ethics Bureau. He is an expert on retiree and senior issues. Nothing will be sold at this educational workshop and presentation—there is NO cost or obligation. We guarantee it will be time well spent. You will get information you haven't seen at other workshops. You may reserve up to 4 guests. All retirees and seniors welcome! (Must be 55 or older to attend)

1. Save literally thousands on your IRA taxation—*legally*
2. Reduce or eliminate tax on your Social Security benefits
3. Stop the unnecessary 1099s from CD's and Mutual Funds
4. Secure your assets and get an excellent return without market risk
5. A simple change that will save your family thousands of dollars
6. Design a strategy to generate income you can never outlive
7. Protect your assets from catastrophic illness and nursing homes

Absolutely nothing will be sold!

Call now to place your reservations: 1-800-297-7716

(Seniors 55 & Older—You May Reserve Up to 4 Guests)

**Thursday,
September 13**

2:45 P.M.

OR

**Tuesday,
September 18**

2:45 P.M.

**The Trailhouse
Restaurant**

6125 Old Route 5
Camdenton, MO 65020

Hosted by

Saint Peters, MO 63376

*Free Dining
for you and your guests*

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34269



Dear:

*Join us for a free dinner and event to find out what you can do now to
Protect Your Assets and Secure the Retirement You Have Earned.*

You are cordially invited to attend a free dinner presentation.
This event is by invitation only for you and up to (3) adult guests.
No products will be sold and your dinner and program are absolutely FREE.
These events fill very quickly so reserve your seats today!

RSVP Today... Call Toll Free 1-800-346-1291 (24 hrs.)

**"Avoid Costly Mistakes That Cause Seniors
To Lose Their Financial Independence!"**

It's About Your Retirement...

*We are not another brokerage firm presenting the
mutual fund of the day. Come learn how to keep your
assets protected and your retirement secure.
Let us show you how to:*

- Increase your income without taking additional risk.
- Legally avoid paying income taxes on your Social Security income.
- Earn higher returns and eliminate annual taxes on the earnings - NO 1099s!
- Take advantage of the market gains, yet avoid all market losses!
- Create a guaranteed, tax-advantaged income you or your spouse cannot outlive.
- Protect your family from the needless cost and long delays of probate.
- Maximize your IRA with the newest changes in the tax law.



10923 Olive Blvd
Creve Coeur, MO 63141



Tuesday, October 23 at 2:30 pm
Tuesday, October 30 at 2:30 pm



2275 Bluestone Drive
St. Charles, MO 63301



Thursday, October 25 at 5:00 PM
Thursday, November 1 at 5:00 PM

Please arrive 15 minutes before your seminar start time
"This event is for first time attendees only"

Your host, _____ is a member of the National Ethics Bureau and is devoted to offering straightforward advice and assisting Missouri residents age 55 and older in protecting their assets and ensuring their money lasts. You don't want to miss this exclusive presentation!

*please note that seating is
limited and presentations are always full.
Reserve now by calling
1-800-346-1291 (24 hrs.)*



07871

Special Invitation

You are cordially invited as our Guest to attend an educational event that includes a Complimentary Lunch. Kindly choose the date and time that best fits your schedule and guarantee your reservation today:

LUNCH

Tuesday,
July 24th
12:00 p.m.

or

LUNCH

Thursday,
July 26th
12:00 p.m.

or

LUNCH

Tuesday,
July 31st
12:00 p.m.



LOCATION
Carrabba's Italian Grill
1990 Valley View Pkwy
Independence, MO 64055

Featured Speaker:

Topic: *Smart Ideas*™ When Myths and
Misconceptions Cloud the Issues

I will show you:

- Why the stock market rollercoaster may not be an enjoyable ride for everyone
- How to potentially maximize the efficiency of your assets that you will leave as your estate
- Why saving money on taxes today may result in paying more later
- How to potentially save more for your retirement without affecting your lifestyle

This is an educational event, no products will be sold.



Kindly call to reserve your seat
☎ 1-888-892-3790
Bring a Friend!

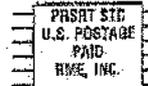


This educational seminar and sales presentation is for informational purposes only. I am a registered representative of and offer advisory services through my firm, Carrabba's Italian Grill, a registered investment advisor, 1990 Valley View Pkwy, Independence, MO 64055. (816) 800-0278. Carrabba's Italian Grill is an affiliated subsidiary of Carrabba's Italian Grill, Inc. Carrabba's Italian Grill, Inc. is not a bank, insurance company, or other financial institution. Carrabba's Italian Grill, Inc. does not provide legal, tax, and accounting advice. Please seek the guidance of an appropriate legal or tax planning professional with respect to your specific needs. Carrabba's Italian Grill and its investment products can involve a high degree of risk. Carrabba's Italian Grill, Inc. does not assume any liability for any loss or damage resulting from the use of any of its products or services. Carrabba's Italian Grill, Inc. is not a broker-dealer. All rights reserved.

100

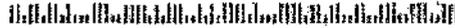
Jefferson City, MO 65109

Join Us For Dinner
Complimentary Tickets Enclosed



Attn: Postmaster
Printed Material
Deliver by #2

Special Invitation Inside



Join Us at this Special Event

You are cordially invited to attend this **DINNER PRESENTATION**. This event is by invitation only. We've enclosed four (4) complimentary tickets for you and your adult guests. Call today to RSVP at (800) 246-4215, and give the RSVP code below or return the enclosed reply card. Seating is limited and we are expecting over 50 guests each day, so please reserve promptly.

Don't Miss One of the Best Financial Presentations in Missouri

Simple Proven Strategies to Maximize Your Savings & Retirement Dollars

What is the best way to manage your savings and protect your family in today's uncertain times? With changes in tax laws, rising prices, inflation, uncertainty in the Middle East and the stock market roller coaster, it's more important than ever to get the facts so you can make informed decisions for you and your family.

This is a financial presentation which will discuss these issues and more:

- Building a portfolio around the Nobel Prize winning Modern Portfolio Theory
- Provide stable, lifetime income for the rest of your life
- When probate is necessary and when it's right
- Building a nest-egg that you won't outlive
- Potentially reduce or eliminate taxes on our Social Security income
- Dimension Fund Advisors (DFA): The answer to long term investing with remarkable returns
- Ways to increase after tax income from your retirement plan distributions
- 401k and pension plan rollover tips, tricks and traps

Meet and learn from a recognized Jefferson City area financial expert the right options for you

is a well-known financial educator in Jefferson City, MO. Thousands of investors and retirees have achieved their personal financial goals due to his informative presentations and superior and dependable counsel. Join us and enjoy a select dinner and leave understanding how to maximize your retirement dollars using simple, and proven strategies. No specific products will be mentioned or sold.

DINNER
Tuesday
August 21, 2007
6:30 pm

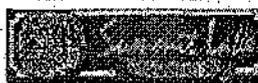
OR

DINNER
Tuesday
August 28, 2007
4:30 pm

OR

DINNER
Thursday
August 30, 2007
6:30 pm

RESTAURANT



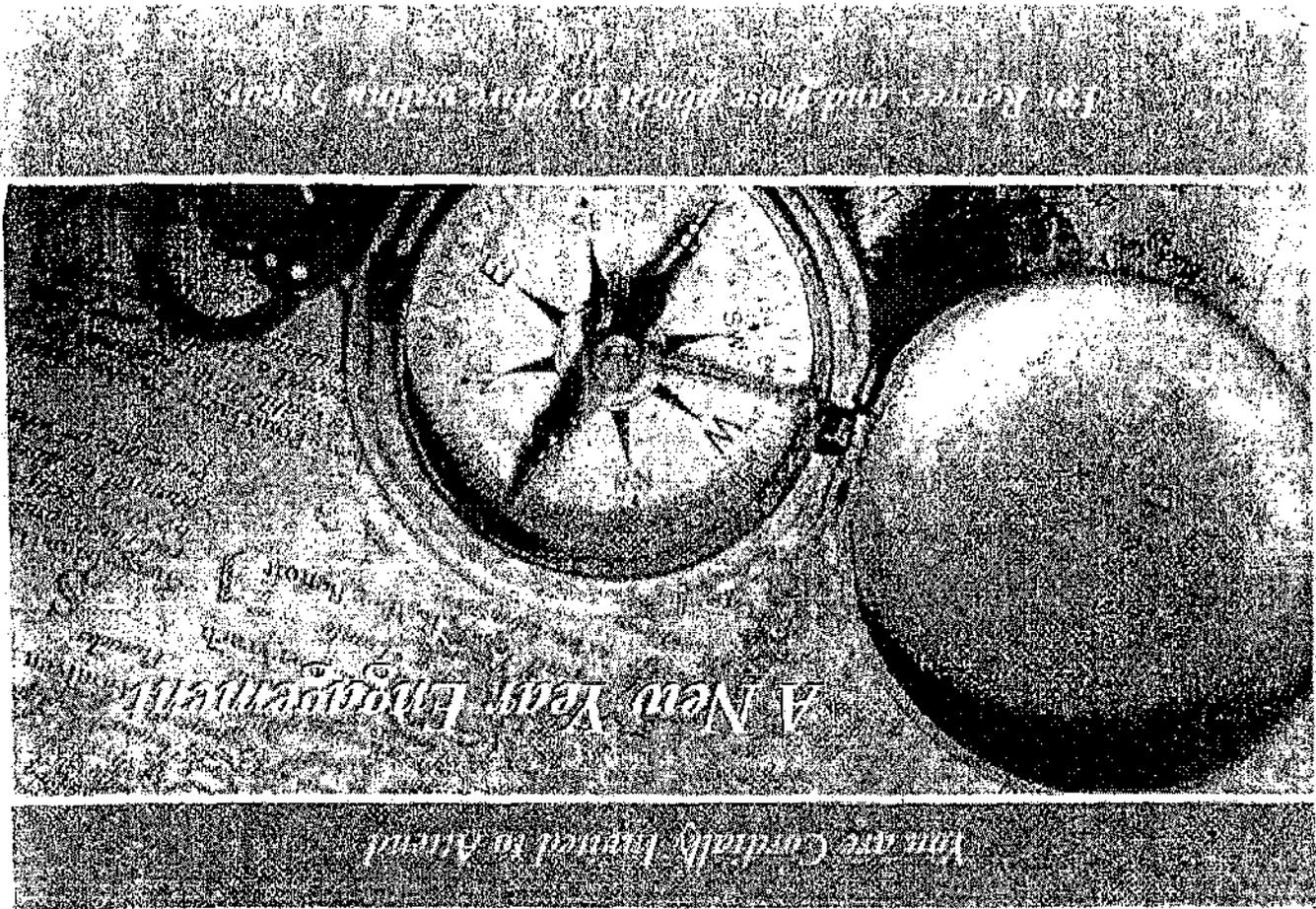
1707 South Summit Drive
Holts Summit, MO

Please note that presentations are extremely popular and always full. Seating is limited, and reservations will be handled on a "first come, first served" basis. To guarantee seating, pick up the phone and dial (800) 246-4215 and give the RSVP code, or complete and mail the reply card. Thank you!

(800) 246-4215

Your RSVP Code #

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YOUR PRESENTER

YOUR FOUNDATION FOR A SECURE RETIREMENT™

is committed to affording senior citizens with an enjoyable and secure retirement. Our entire foundation is based on providing the best possible service for our clients, because ultimately our client's growth and success is what determines ours. Our team of financial, legal, and tax professionals are dedicated to providing outstanding personalized service to each and every client. Each representative draws upon a broad base of knowledge and experience in their area of expertise and is committed to helping you achieve all of your retirement goals.

This is an educational seminar with no attempts to sell specific products and there is no cost or obligation. We guarantee that it will be time well spent. No Brokers Please

Securities offered through

Member NASD & SIPC.

is not affiliated with

Paying off your mortgage and contributing to an IRA/401k is a **HUGE MISTAKE!**

Learn how to take money out of your 401k or IRA with little or **NO TAXES!**

Join us for a **Free Gourmet Dinner** Presentation at:



*Greenbriar Hills
Country Club*

12665 Big Bend Blvd., Kirkwood, MO 63122
(Located on Big Bend Boulevard, 2/10ths of a mile West of I-270)

Thursday, May 31st or Wednesday, June 6th
6:15 PM

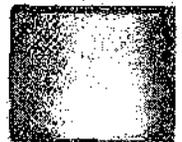
Country Club Dress Code: *No Denim, Please.*

Call 1-800-449-2237 for reservations.

Most people question the decision they are making today financially. What is the best way to pay your mortgage? Are you planning for your retirement or Uncle Sam's? These questions and many more will be answered at a Free Dinner Presentation. This is an advanced financial seminar designed to answer critical questions such as:

- Should I make extra principal payments on my mortgage?
- Want an extra million? Put your equity to work for you.
- How can I get the most value out of my retirement plan when I retire?
- How can I avoid losing up to 45% of my retirement plan distributions to taxes and penalties?
- How can I accumulate, access and transfer my money, *tax-free?*
- Why the "interest only" loan could be your friend—not foe.
- How to grow your money, linked to the market, enjoying its upside potential, yet be protected against losses.

➔ **LEARN WHAT THE RICH TEACH THEIR KIDS ABOUT MONEY...
AND WHAT THE POOR AND MIDDLE CLASS DO NOT!**



**Caution: Before you make
another mortgage payment,
add money to your
IRA or 401k,
learn why these are the
BIGGEST MISTAKES ever!**



*Greenbriar Hills
Country Club*

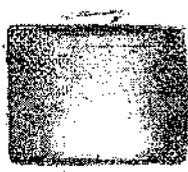
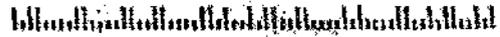
Join us for a **Gourmet Dinner** Presentation
Call 1-800-449-2237 for reservations.
"Confirmed" Reservations Required

Chesterfield, MO 63017

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PAID
OTM

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1384



SENIOR RETIREMENT WORKSHOP

This voucher is redeemable for 4 free dinners for 4 guests

(Ages 50 plus)

In 50 minutes you will learn about:

- New 2008 Drug Plan Options
- New Senior Dental
- Reducing taxes on your social security income
- Guaranteed returns paying over 10% with no risk of loss
- Medicare 2007 update, for Part "D" and wellness benefits
- Participate in Market Gains with no risk of losses
- Long Term Care insurance and how it can help protect you.
- Ways to protect, enhance and conserve your legacy.

Sponsored by



"Ever since we went to their appreciation meeting, our lives have changed. We don't worry about our retirement savings losing in the market anymore. We're eating more with a guaranteed return and now spending more! They also provide valuable information to ensure that our health and financial issues were addressed. We'd encourage all seniors take the opportunity to attend."

Larry and Carol

Retired School Teacher and Dairy Farmer in Kansas

WHEN AND WHERE

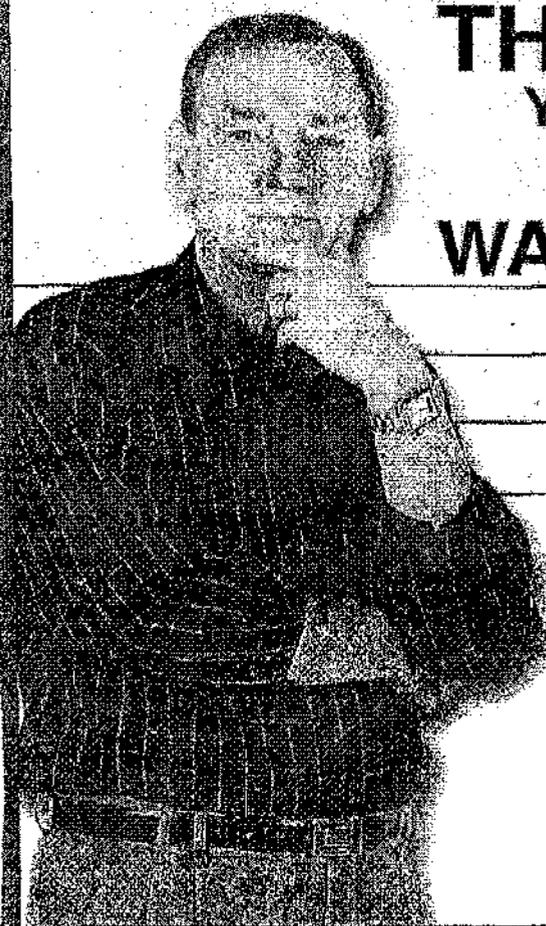
PLAYERS RESTAURANT

627 E Russell Ave, Wartburg, TN

- Dinner Tues Aug 21st @ 6:00 pm
- Dinner Tues Aug 28th @ 6:00 pm
- Lunch Thurs Sept 6th @ 11:30 am
- Dinner Tues Sept 11th @ 6:00 pm
- Dinner Tues Sept 18th @ 6:00 pm

CALL NOW AND RESERVE YOUR SEAT!

Toll free 1-888-569-0315
24 HRS./DAY 7 DAYS/WEEK



THE ONE SEMINAR YOUR CURRENT ADVISOR DOES NOT! WANT YOU TO ATTEND

FREE Seminar
FREE Meal
FREE Advice

*You must attend if you
want to learn how to:*

- ELIMINATE TAXES on your SOCIAL SECURITY
- Eliminate Investment FEES
- ELIMINATE market LOSSES
- Make your MONEY absolutely "SAFE"
- REDUCE your TAXES
- INCREASE your spendable INCOME
- Get MARKET linked returns WITHOUT MARKET RISK
- Significantly INCREASE the value of your IRA
- NEVER RUN OUT OF MONEY

**JOIN US FOR
LUNCH OR DINNER!**

OUTBACK
STEAKHOUSE®

15412 Manchester Road
Ellisville, MO 63011

SATURDAY, April 28, 2007
10:30 AM

TUESDAY, May 15, 2007
3:00 PM

WEDNESDAY, May 16, 2007
3:00 PM

THURSDAY, May 17, 2007
3:00 PM

Fun! Informative! FREE!

***If you are over 50 or retired,
you cannot afford
to miss these seminars.***

This is an educational workshop. There is no obligation and nothing to buy. If married, we encourage both of you to attend. Because space is limited you must have a reservation to attend.

CALL TODAY! SPACE IS LIMITED!
800-805-8114

Sponsored by



**FREE \$50
GIFT CARD**

Target®
or Kmart™

Click here
to claim!

*See Table. \$50/Target/Kmart.com

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FREE Informational Dinner Seminar

Retired? Getting ready to retire?

Special Educational Event for people ages 50-80



Join us to learn how to:

- Overcome the fears of **DIVIDING** your retirement assets
- Use new IRS tax laws to help you and your family reduce your taxes
- Avoid stock market declines & protect your assets
- Limit the tax **PAIN** on Social Security benefits & increase spendable income

**RESERVATIONS REQUIRED
CALL TODAY
1-800-805-8114**

OUTBACK
STEAKHOUSE®
ELLISVILLE
May 15, 16, 17 @ 3pm

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SAINT LOUIS, MO 63131



FAQ's

Franchise Related Opportunity

Advertising Info

© H.O.T.I. Coupons, LLC

Special Invitation: Join us for Lunch or Dinner!

Your host, _____, RFC, CEP, of _____, a leading Agency for Senior Retirement Planning in Missouri, cordially invites you to attend a Complimentary Dinner workshop on protecting and preserving retirement assets.

Protect Yourself & the Family's Inheritance from Medicaid Seizure of Assets

In today's economic environment, both the Federal and State laws are changing at such a rapid pace, find out about the current changes signed February 8th 2006 by President Bush. How will these changes effect you? How you can protect you and your family. The government will not notify you on how these changes will affect you. You MUST find out for yourself.

Topics to Be Discussed:

- **Avoid the Medicaid Trap:** How to protect your assets from catastrophic illness and Nursing Homes without purchasing expensive nursing home insurance.
- **IRA/401K'S:** If you believe that your beneficiaries will inherit 100% of your retirement - your mistaken - Learn how to keep this from happening to you - Now regulations can dramatically increase the IRA/401K legacy you leave behind to your family.
- **Taxes:** Learn how to lower or eliminate Taxes on Social Security, Interest Income, Capital Gains, and how to pay zero Estate Taxes.
- **Wall St.: Stocks and Mutual Funds -** Tired of losing money? Learn how to invest in the Stock Market in these uncertain times without risk. Seniors are doing this in record numbers.
- **Probate:** Every year, probate costs families millions of dollars, yet it is so easy to avoid. Let our experts show you how to easily "probate proof" your estate.

We've enclosed tickets for you and your guest. If married both husband and wife should attend. Nothing will be sold at this workshop; we expect a full house, so please RSVP or mail the enclosed card. Seating is limited. No agents or Brokers please.

To guarantee seating, please make your reservation by calling today or complete and send in the enclosed reply card. You're sure to agree with previous attendees that said "this is the best and most exciting workshop I've ever attended."

LUNCH
Wednesday
October 17, 2007
10:10 am

DINNER
Thursday
October 18, 2007
4:10 pm

LOCATION

Hampton Inn

900 Kansas Avenue • Clinton, MO 64735

Remember seating is limited - call now **1-800-445-1961** to gain Peace of Mind on PROTECTING AND PRESERVING your retirement assets!

ADMIT
TWO (2)
ADULTS

FINANCIAL
workshop

Complimentary Admission

ADMIT
TWO (2)
ADULTS

FINANCIAL
workshop

Complimentary Admission

NO. 161161
Offer expires in 30 Days

Lerwood, KS 66211

This entitles the bearer to a

\$49.00 TAX RETURN PREPARATION

Present this card at your tax return preparation appointment to receive our senior citizen special price of \$49.00. Includes individual 1040 and all schedules for one low price. Free state tax return preparation. Limited number of appointments available.

Call 1-877-49-DOLLARS today to take advantage of this special offer.

109210 43074 01200013 8345

"More Money, Less Taxes"

Learn how to protect your gains, and grow your nest egg

You are cordially invited to attend a FREE educational and entertaining seminar with a complimentary light dessert following this ninety-minute presentation. Nothing will be sold.

This presentation will address the following issues:

- **LEARN:** How to beat the market only being invested 30% of the time.
- **MONEY:** How to get access to Dimensional Fund Advisors no load mutual funds
- **INCOME:** How to increase the income you earn and not run out
- **SECURITY:** How to take advantage of market gains, while avoiding market losses
- **TAXES:** How to reduce or eliminate taxes on Social Security, Capital Gains, and Investment Income
- **HEALTH:** Extended illnesses now average \$55K a year, so learn how to eliminate long-term care premiums through asset-backed long-term care
- **LEARN:** How to hedge your accounts using inverse funds.

As a SPECIAL BONUS — learn how you can earn a guaranteed 12.75% for the next 12 months.

Come and find out for yourself why HUNDREDS of people have attended our workshops in the past 12 months!

"More Money, Less Taxes" will be presented by

*, President of
President of*

and

Do not miss this opportunity!

To secure seating, call our toll-free, 24-hour reservation line

1-800-243-0999, Ext. 52

DESSERT:

Thursday, January 26, 2006
7:00 p.m.

LOCATION:

Marriott St. Louis West
660 Maryville Centre Drive
Creve Coeur, MO 63141

FINANCIAL STRATEGIES FOR TURBULENT TIMES

In 2007 millions of American retirees risk becoming financial victims of world events. The war in Iraq. Political unrest. The rollercoaster of oil prices. The stock market tight-rope and the changing balance of power in the US, to name a few. What's here today may be gone tomorrow. The good news is, with the New Year upon us, now is the best time for you to take action and take control to "bullet-proof" your finances.

JOIN US FOR DINNER AND GET A "NEW YEAR FINANCIAL PHYSICAL"

You and up to 3 adult guests are cordially invited to join us for an entertaining and informative dinner seminar. Learn how to guarantee you don't outlive your money, keep the IRS out of your pockets, protect your spouse and leave a legacy. You'll gain priceless knowledge and strategies you can implement immediately such as:

TOPICS OF INSIGHT

The "head-on" impact of the Global economy

Learn how to protect yourself and your heirs by neutralizing the cataclysmic effects of world events on your finances

Arm yourself against the IRS and needless taxes

Discover how to utilize deductions, exclusions and exemptions to avoid and eliminate taxes on capital gains, interest income and your estate

Take Control of your IRA's and 401k's

Avoid putting your IRA or 401k in "tax prison". The best way to pass-on your IRA or 401K and how to eliminate any management fees completely

Live longer than your money and protect your spouse

See how proper positioning of your assets in a tax-deferred shield can yield more years of income and protect your independence for life

Social Security and the Gift-horse

First they give us our money then they take it away. How to stop paying taxes on Social Security benefits

And many more eye-opening strategies to give you the financial protection you need in the New Year... and beyond!

Plus, every attendee will be entitled to our "New Year Financial Physical"



Join us at

THE HEREFORD HOUSE

5001 Town Center Dr. • Leawood, KS 66211

Dinner

Wednesday, January 3rd
3:15 p.m.

OR

Dinner

Thursday, January 4th
3:15 p.m.

OR

Dinner

Tuesday, January 9th
3:15 p.m.

Please RSVP soon. Seating is limited.

Please call 1-800-699-3879 to reserve seats today!

Complimentary Passes Enclosed



Enjoy a Gourmet Dinner at the
Bristol Seafood Grill

You are Cordially Invited
to attend the exclusive
"Secure Retirement and
Wealth Protection" Workshop

Considering the historically low interest rates, unusual market volatility, economic globalization, and the terrorism threat, there is no doubt these are uncertain times. It is more crucial than ever for you to understand the new laws and programs that can affect your retirement objectives. Come hear facts, not theory. Don't miss this opportunity to find out about strategies designed to work.

The "Secure Retirement and Wealth Protection" workshop is presented by _____, CEO and Founder of _____, a Registered Investment Advisor. _____ has worked with retired individuals for over 18 years and is a well known financial Advisor who has helped thousands better understand their investment and tax-saving options.

You are cordially invited to attend a FREE "Secure Retirement and Wealth Protection" workshop and dinner. This informational and entertaining event is by invitation only and exclusively for individuals age 55 and older with investment portfolios of \$100,000 or more.

During this dinner, we will reveal 9 proven techniques to help you preserve your capital, decrease your risk exposure, and reduce your tax burden. No, this is not another sales presentation by your local broker or insurance agent about investing in the mutual fund of the day. You'll leave with concrete and useful information you can act upon immediately including:

- Increase your income without taking additional risks
- Earn high returns on your money and eliminate annual taxes on the earnings...no more 1099's!
- What you must legally do to avoid paying taxes on your Social Security benefits
- Create a guaranteed, tax-advantaged income stream you and your spouse can never outlive
- Avoid being forced to sell your assets and surrender your money to Medicaid
- Easy ways to protect your family from the needless cost and long delay of Probate
- Find out how the new 2001 IRA tax laws can maximize your income and estate values.

We've enclosed a dinner pass good for you and three (3) adult guests. Your dinner and program are absolutely FREE. No sales presentation... Guaranteed! Please select the workshop that best fits your schedule.

ATTEND ONE OF THESE FREE EDUCATIONAL WORKSHOPS!

DINNER		DINNER		DINNER
Tuesday		Tuesday		Wednesday
September 7, 2004	OR	September 21, 2004	OR	September 29, 2004
3:00 pm		4:00 pm		3:00 pm



LOCATION
The Bristol Seafood Grill
5400 West 119th Street
Leawood, KS 66209

Seating is limited, Call 1(800) 403-2356
to Reserve Your Seat Today!

This workshop is limited to individuals age 55 and older only with investable assets of at least \$100,000. Stock brokers, insurance agents, and financial planners are not permitted to attend.

Dear

You are cordially invited to attend a FREE GOURMET MEAL. This event is by invitation only. We expect the seats to fill up quickly. Please RSVP to (800) 769-1513 to guarantee your seat.

"Asset Protection For Seniors"

(For Retirees Only)

- You will learn how to earn returns, with guarantees against market risk.
- The new IRA/401k tax and distribution rules!
- How to stop losing your IRA/401k to market fluctuations!
- How to protect your assets without Long Term Care Insurance.
- How to reduce or eliminate taxes on your social security.
- How to generate guaranteed life income that you can never outlive.

*Spouses Urged to Attend!!

Choose Dinner From:



WingHaven
Country Club
7777 WingHaven Blvd.
O'Fallon, MO 63368

Dinner
Wednesday, September 19th
at 4:30 pm

- Or -



Bristol
Seafood Grill
2314 Technology Drive
O'Fallon, MO 63368

Dinner
Thursday, September 20th
at 4:30 pm

Presented by

CEO and Founder of [redacted], (est. 1989)

(Come hear 18 years of knowledge and experience.)

Learn important new strategies and laws that concern only seniors and retirees.

Nothing will be sold and there is NO cost to attend.

We guarantee it will be time well spent accompanied with a free gourmet meal.



WWW.ETHICSCHK.COM

THE NATIONAL ETHICS BUREAU™

MY PROFESSIONAL PROFILE



Member Status: APPROVED
Member Through: 17 January 2008

The National Ethics Bureau™ (NEB) Research and Background Department has confirmed that [redacted] has met the qualifications for membership in the National Ethics Bureau™.

JEFFERSON CITY, MO 65109

Passed The Ethics Check System™ for 2007

[redacted] has successfully passed our Ethics Check System™, which includes a seven year background check for criminal, civil and business violations as detailed below:

Criminal Background Check

No pending or confirmed felony convictions or consumer trust-related misdemeanor convictions.

Civil Background Check

No pending or confirmed consumer trust-related violations resulting in any judgments, fines, or awards.

Professional License Check

Maintaining one or more recognized state or federal regulated licenses to offer insurance or financial services.

Department of Insurance

No pending or confirmed consumer trust-related violations resulting in any adverse decisions, enforcement actions, or disciplinary sanctions.

National Association of Securities Dealers

No pending or confirmed consumer trust-related violations resulting in any enforcement actions, disciplinary sanctions, awards to customers, disgorgement or restitution orders, or monetary fines.

Securities and Exchange Commission

No pending or confirmed consumer trust-related violations resulting in any adverse decisions, enforcement actions, or disciplinary sanctions.

State Departments of Corporation, Commerce and Securities

No pending or confirmed consumer trust-related violations resulting in any adverse orders, enforcement actions, or disciplinary sanctions.

Other Federal, State and Private Agencies

Utilization of other agencies, professional designations, membership organizations, and other resources for further investigation as needed.

PROFILE DETAILS

OVERVIEW

EDUCATION

ASSOCIATIONS

REFERENCES

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ATTENTION SENIORS

Don't Go Broke In A Nursing Home!

FREE LUNCH & DINNER WORKSHOPS

Reveals All The Details, Tips and Secrets you probably don't know about the *New Deficit Reduction Act of 2005*, Medicaid Eligibility, Veteran's Benefits and How to Legally Protect Your Assets!

Join us for one hour and learn how Elder Law Attorneys, Geriatric Care Managers & Financial Professionals can help you:

- Receive nursing home benefits from the government without losing your life savings!
- Use your Veterans Administration benefits to pay for home health care or assisted living (If you served during wartime)!
- Avoid the most expensive mistake people make trying to pay for long-term care!
- Use a government backed program to pay for long-term care insurance without touching one penny of your income, savings or investment dollars!
- Use your IRA to pay for long-term care without disinheriting your children and grandchildren!
- Use a government backed program to access tax-free cash and increase spendable income - without touching your assets.
- How you may dramatically increase your interest earnings while safeguarding your investments from risk!
- How to leave your IRA TAX-FREE to your heirs!

Plus, much more!

Wednesday

June 26th, 2007

11AM - Lunch Workshop

6PM - Dinner Workshop

Amber's Banquet Facility

4254 Telegraph Road

1/4 Mile from I-255 in Oakesville

Thursday

June 27th, 2007

11AM - Lunch Workshop

6PM - Dinner Workshop

The Old Spaghetti

Factory Restaurant

17384 Chesterfield Airport Road

I-40/64 and Boone's Crossing exit

Hosted by:

Seating is limited, so call now to reserve your seats!

Guests & Spouses Welcome!

1-800-850-4290 (24 Hour Hotline)

Retirement Needs Workshop

*{Please complete the top section of this form, NOW,}
{These forms will be collected at the end of the workshop.}*

Date: _____ Workshop Location: _____

Name(s): _____

Marital Status: () Married () Widowed () Divorced () Single

Address: _____

City/ Zip: _____ Phone: _____

Your Good Spouse's Good
Birth Date: _____ Health? _____ Birth Date: _____ Health? _____

(I/We) need to learn more about! **Check Strategy (#'s)**

- #1 How members earn 3.75% on a money market through _____
- #2 Medicare Part D
- #3 Long Term Care alternatives {Get your money back if you do not use it}
- #4 Tax free money through Reverse Mortgages
- #5 Multi-Generational IRA- {Secures family legacy for your children & grandchildren}
- #6 How to reduce or eliminate income taxes on your social security benefits
- #7 How to earn higher interest rates than on CD's, & stop paying yearly on the earnings
- #8 How to share in market gains with *no* market losses
- #9 Variable Annuity Rescue Program
- #10 How the IRS tax-free exchanges on existing annuities and cash value life insurance can benefit you

#11 Receive a FREE Morningstar Report

Yes, I would like the opportunity to meet with _____ for a FREE one hour consultation, to discuss the above strategies!

- Monday** Circle One:
- Tuesday** **Morning Afternoon Evening**
- Wednesday**
- Thursday** **At your home OR At the office**
- Friday**

FREE 1/2 hour with attorney _____

You are cordially invited to attend a Complimentary Dinner!

Retirement Needs Workshop

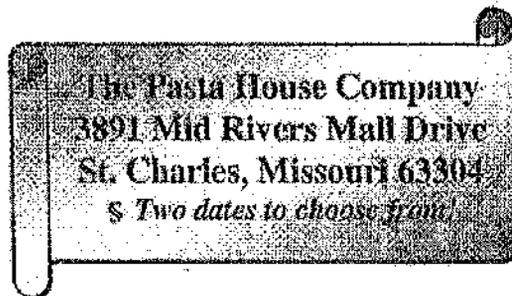
This FREE educational workshop, may hold the key to the carefree retirement years you have always wanted. Avoid costly mistakes that cause seniors to lose their financial independence!

This powerful, interactive workshop is designed to demonstrate how you can reach your retirement goals, and to educate you on how to apply strategies that will give you **PEACE OF MIND!**

Topics To Be Discussed Include:

- q Take advantage of market gains **WITHOUT** taking market losses!
- q Benefit from Long Term Care protection and get your money back.
- q Reverse Mortgages- How to convert home equity into Tax-Free Income.
- q Earn higher returns & eliminate annual taxes on the earnings- **NO 1099's!**
- q Maximize your IRA with the newest changes in the tax law.
- q Reduce or eliminate income taxes on your social security benefits.
- q Learn secrets that Wall Street will never tell you.
- q How the IRS tax-free exchanges can benefit you.

Please call **1-888-512-5265** to make a reservation for you and up to 3 guests.
Please join us for a complimentary dinner. We look forward to seeing you there.



§ Tuesday, July 11th, 2006
6:00PM

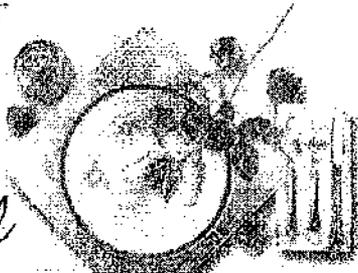
§ Thursday, July 13th, 2006
5:00PM

Presented by:

is a well known Certified Senior Advisor and financial educator with specializes in working with retirees and those about to retire, who want to protect their principal, but still have the opportunity to obtain significant growth. Seniors who consult with often find that they maximize the growth of their money and minimize the taxes that they pay. This will ensure that they do not outlive their retirement funds, and obtain better protection for their financial future.

**SEATING IS LIMITED! To make your reservation call
1-888-512-5265 TODAY!**

A
Special
Dining Invitation



Come join me and learn what hundreds of your neighbors have already learned about decreasing taxes, increasing income and protecting their Estates!

Join Me for a Free Dinner



Dear

Are you aware that when the government makes changes to tax laws they don't always let you know? Did you know your IRA/401(k) can be taxed twice, leaving your beneficiaries with just a fraction of your hard-earned savings? Act now! There is something you can do about it.

please call today to confirm your seats for our Financial Concerns for Retirees Seminar, or those about to retire, and receive the most up-to-date facts about several costly mistakes *your peers have already made* and weren't even aware they did! I will share with you concerns facing you and your estate, even ones you may not have known existed! You'll get the latest tips for maximizing retirement income and minimizing federal taxes.

Remember: The government WILL NOT notify you of your eligibility for major tax savings or new IRA legislation that could *benefit* you! You must find out for yourself!

Missing this workshop means you won't have the chance to learn more about...

- Income Options *Increasing your spendable income*
- Medicaid *Avoiding Medicaid traps*
- Wall Street *Myths and Fears about Wall Street*
- CDs *Increasing your CD money*
- Probate *Understanding probate and trusts, and the protection they may or may not bring your estate*
- Savings on Taxes *Lowering and/or eliminating taxes on Social Security, interest income, capital gains, and more!*

Workshop Schedule

DINNER
Thursday
February 15th, 2007
4:00 PM

OR

DINNER
Thursday
February 22nd, 2007
4:00 PM

AT

LOCATION
Hotel DeVille
319 West Miller Street
Jefferson City, MO-65101



NOTHING will be sold at this seminar and a meal will be provided following the workshop at no cost to you. Hurry! Seating is limited, so please don't wait until it's too late to do something to protect yourself, your spouse and your estate. Call, **TOLL-FREE, 1-866-656-3817 NOW** and reserve your spots today!

Sincerely,

P.S. Don't forget to bring a friend! Or if you're married, please bring your spouse. If you hated what Wall Street did to your portfolio, wait till you see what Medicaid could do to your Nest Egg!!

Agents, Brokers, and Lawyers are not permitted to attend