



New Mexico Regulation and Licensing Department SECURITIES DIVISION

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STATE SECURITIES REGULATORS JOIN WITH AARP TO FACT-CHECK 'FREE LUNCH' INVESTMENT PITCHES

Santa Fe– The New Mexico Regulation and Licensing Department Securities Division is working with the AARP and securities regulators in other states in a nationwide probe of “free lunch” investment seminars.

“Seminars offering a free meal or other incentives for attendance are a common marketing tactic targeting retirees and older workers,” said Securities Division Director Bruce R. Kohl. “Unfortunately, instead of unbiased financial education, many free-meal seminar attendees are being fed a hard sales pitch for investment products that are often unsuitable and may be outright fraudulent.”

To curb these abuses, both Securities Division staffers and AARP volunteers will be attending local seminars to review the materials offered and monitor the presentations.

“If we find false claims are being made and investors are being misled or cheated, we will take action against the promoters,” Kohl said. Anyone offering an investment to the public in New Mexico must be licensed with the state, and any investment offering must be registered either with the state or the federal Securities and Exchange Commission (SEC).

A recent survey of 110 ‘free lunch’ seminars by the SEC and state securities regulators found that half of the seminars featured “exaggerated or misleading advertising claims,” and nearly a quarter of the presentations provided unsuitably risky or inappropriate investment advice. Examiners found indications of fraud in 14 of the seminars, including serious misrepresentations of risk and return or the sale of completely non-existent “investments.”

Investors who have questions about free investment seminars or who wish to report problems they have experienced with these events may call the Securities Division toll-free hotline at 800-704-5533 or e-mail the division Investor Information Program at investorinfo@state.nm.us.

“We appreciate the opportunity to work closely with AARP and its membership to put unscrupulous salespeople on notice that the victimization of senior investors will not be tolerated,” Kohl said.

To learn more about the AARP “No Free Lunch” monitoring program, visit the AARP website at [www.aarp.org/money/consumer/articles/ no free lunch.html](http://www.aarp.org/money/consumer/articles/no_free_lunch.html).

The Regulation and Licensing Department Securities Division protects New Mexicans from fraud and financial abuse by licensing investment professionals, registering securities offerings made in the state and investigating violations of the state securities law.

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