

# STATE OF NEBRASKA

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Governor

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**FOR IMMEDIATE RELEASE**

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## **Regulators Urge Investors to Carefully Check Credentials of ‘Senior Specialists’**

The Nebraska Department of Banking and Finance (NDBF) Bureau of Securities urges seniors to carefully check the credentials of individuals promoting themselves as “senior specialists.”

“Individuals may call themselves a ‘senior specialist’ to create a false level of comfort among senior citizens. It implies a certain level of training on issues important to that age group. But the training they receive is often nothing more than marketing and selling techniques targeting the elderly,” said NDBF Assistant Director Jack E. Herstein. “These sales people and the alphabet soup of letters after their names can be confusing, and in some cases, may even be deceptive to seniors,” he added.

A significant increase in designations claiming to provide the holder with expertise in providing services to investors 55 years and older has been identified by the North American Securities Administrators Association (NASAA), a national organization dedicated to investor protection. NASD, formerly known as the National Association of Securities Dealers, charted 59 combinations of ‘designations’ including: Certified Senior Advisor (CSA), Certified Senior Consultant (CSC), Certified Senior Specialist (CSS) and Certified Elder Planning Specialist.

State securities regulators have opened 26 cases in the past year involving those using such designations. Most of the cases involve securities recommendations by individuals who are not properly licensed by state securities regulators.

Herstein said bogus “senior specialists” commonly target senior investors through seminars where the specialist reviews seniors’ assets, including securities portfolios and typically recommends liquidating securities positions and using the proceeds to purchase equity-indexed or variable annuities products or other investments the specialist offers.

In many jurisdictions, including Nebraska, these recommendations may be viewed as providing investment advice for compensation. “The senior specialist would be offering investment advice as an unregistered investment adviser and, therefore, be subject to enforcement action by regulatory agencies,” Herstein warned.

NASAA reports that although there are legitimate organizations whose members must complete rigorous programs of study, pass extensive examinations and have practical experience in order to receive their designations, a number of entities formed in the last few years have created designations with much less stringent requirements. Without reviewing the course material for each of these designations, it is difficult to verify the claims made by the promoters.

“Before doing business with any investment professional, all investors, especially senior investors, should check with the Department’s Securities Bureau to determine whether the individual is properly licensed and if there have been any complaints or disciplinary problems involving the individual or his or her firm,” Herstein said.

For more information, visit NDBF’s website at [www.ndbf.org](http://www.ndbf.org), call toll-free (877)471-3445 (Lincoln area call, 471-3445), or visit the Senior Investor Resource Center on the NASAA website at [www.nasaa.org](http://www.nasaa.org).

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