

Senior Investor Education: What to Look for at a Free Lunch Seminar



Free lunch seminars are a popular way for con artists to meet potential victims. Investment fraud victims between the ages of 55-64 are three times more likely than any other age group to have attended free meal investment seminars. The meetings at the restaurant are typically professional and low-pressure. However, con artists may use high-pressure sales tactics at a private meeting later. **Proceed with caution.**

Never rush into an investment without researching the product itself, the promoter, and the company. Legitimate investment opportunities will still be there tomorrow. “Time pressure” is a common sales tactic used to pressure investors into making impulsive investment decisions.

Use these questions to keep track of what is presented at “free meal” investment seminars. Afterward, do your research.

1. What credentials/licenses did the speaker(s) say they had?
2. Did the speaker say they were a specialist in senior matters?
3. Did they have a “senior designation”? If so, which one? Senior Certified Advisor?
4. Did they talk about Reverse Mortgages?
5. Did they talk about living trusts?
6. Did they talk about annuities?
 - Were you encouraged to purchase an annuity?
7. What other products were mentioned?
 - Long term care insurance?

- Medical discount programs?
 - Life insurance?
 - Life settlements or Viaticals?
 - Investment opportunities?
8. For any of these products that were mentioned, did the presenter give both advantages and disadvantages for the product? Was it a balanced approach?
 9. Did the presenter discuss how much commission they get when they sell the product?
 10. Did the presenter say how much the penalty charge is to take the money out early?

Red Flags

The following questions might help you identify a possible scam or fraudulent investment opportunity. Beware of the following:

1. Did they say or suggest in any way that AARP or the state was involved, endorsed the session or the product, sponsored the event, or provided your name for the invitation list?
2. What “influence techniques” did they employ, such as:
 - Limited Time Only – You must decide today.
 - Scarcity – Only a few opportunities remain.
 - High rates of return – How high?
 - Many others are making a lot of money.
 - Trust – presenter discussed their local connections and how they can be trusted.
 - Fear Factor – You can’t afford to miss out on this product.
 - Other?
3. Was there any mention of a home visit or appointment as a follow up to the event?
4. Were attendees asked to provide information about their finances?

Do your research. Make sure you understand what you are getting into before you part with any money or give out any private financial information.

Report suspected fraud, scams, or financial abuse to the Minnesota Department of Commerce. Your call may prevent others from being victimized.