



Mark Connolly
Director

State of New Hampshire

Department of State Bureau of Securities Regulation

107 North Main Street, State House Rm. 204
Concord, NH 03301-4989
Telephone: (603) 271-1463
Fax: (603) 271-7933

FOR IMMEDIATE RELEASE

**CONTACT: Barry Glennon
Deputy Director
(603) 271-1463**

N.H. SECURITIES REGULATORS IDENTIFIES TRAPS LIKELY TO BURN INVESTORS THIS SUMMER

Concord, NH (June 17, 2008) - As summer approaches, the New Hampshire Bureau of Securities warns that scamsters are using every trick under the sun to separate unsuspecting investors from their hard-earned dollars. The New Hampshire Bureau of Securities Regulation cautions investors to screen themselves from hot energy-related tips, speculative real estate promotions, unsolicited invitations from new online “friends” and complex, opaque investment products that fail to offer clear disclosures of their risks and costs.

“Criminals watch and read the news and tend to follow the headlines in an effort to promote their schemes with a cloak of legitimacy. The recent turmoil in the credit and real estate markets has led some investors to seek higher returns in non-traditional, speculative investments – a proven feeding ground for unscrupulous promoters and salespeople,” said Mark Connolly, Director of Securities Regulation for the State. “Investors today are facing enough challenges without having to worry about being conned and swindled by get-rich schemes.”

Connolly said the substantial increase in energy costs has made scams related to energy more prevalent. “We are seeing not only shady oil and gas investments, but also

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scams that promise the development of new technologies to increase the efficiency of energy consumption or to extract energy from sources previously thought too expensive to develop.”

As the housing market continues to reel from the subprime lending crisis, the N.H. Securities Bureau cautioned that schemes promising large returns from various types of real estate-related investments also are increasing. “Some real estate alternatives may actually be worthless real estate investments that promoters are trying to dump off to unsuspecting retail investors,” Connolly said. The Bureau also warned that reverse mortgages on homes pose several risks: they may not be appropriate for a given investor; if the homeowner chooses the option of accepting the funds all at once in a lump sum it may create a sudden supply of cash that may be diverted into other bad investments; and they enable promoters to gain access to a senior citizen’s entire financial profile. Such disclosure of other assets can lead to yet more scams—and losses.

In a new twist on affinity and online investment fraud, the Bureau said regulators are concerned that unscrupulous individuals are trying to use social networking websites to lure people to meetings that may promote fraudulent or unsuitable investment products. “Social networking websites create an environment ripe for affinity fraud,” Connolly said, adding “fraudsters can take advantage of the fact people freely share information with both their real and ‘virtual’ friends by posting it to their profile,” Connolly said. “Communication tools provided by some social networking websites make it easy to advertise and promote investment scams to a wide audience for free.” Investors need to do their own research before making an investment and should not simply rely on ‘expert’ advice given at a seminar or meeting.

The recent investigations by state securities regulators including the N.H. Bureau of Securities related to auction-rate securities (ARS) have reinforced that investors should remain cautious when pitched complex investment products accompanied by inadequate

disclosures or when advised to concentrate their investments too heavily in one investment product. “It is best to avoid investment pitches that would lead you to put all of your eggs in one basket, especially if it’s a basket you don’t fully understand,” Connolly said.

In addition to these trends the N.H. Bureau Securities Regulation warns that a number of familiar investment traps are likely to persist for the foreseeable future. Prominent among these is the sale of complex hybrid financial products, such as variable and equity-indexed annuities, to investors for whom they are not suitable—typically seniors. These products frequently contain features so complicated that even licensed financial professionals are not adequately trained to understand them. The Bureau also expects investors to be enticed by fraudulent private securities offerings, pump and dump schemes, sale and leaseback contracts, prime bank schemes, and promissory notes.

“The key to avoid getting burned by any investment is to make sure you understand the product being offered and thoroughly check both the salesperson and the product with your state or provincial securities regulator,” Connolly said. “Remember, if it sounds too good to be true, it usually is.”

To learn more about these investor traps, please visit the North American Securities Administrators Association Fraud Center at www.nasaa.org or the N.H. Bureau of Securities website at www.sos.nh.gov/securities.