

Senior Specialists: Look Beyond the Credentials

The North American Securities Administrators Association (NASAA) has urged seniors to carefully check not only the credentials of individuals holding themselves out as “senior specialists,” but the individuals as well.

Individuals may call themselves ‘senior specialists’ to create a false level of comfort among seniors by implying a certain level of training on issues important to the elderly. But the training they receive is often nothing more than marketing and selling techniques targeting the elderly.

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.

NASAA has observed a significant increase in designations claiming to provide the holder with expertise in providing services to investors 55 years and older.

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 less stringent requirements. Without reviewing the course material for each of these designations, it is difficult to verify the claims made by the promoters.

Bogus senior specialists commonly target senior investors through seminars where the specialist reviews seniors’ assets, including securities portfolios. Typically, the specialist recommends liquidating securities positions and using the proceeds to purchase indexed or variable annuities products the specialist offer.

In many jurisdictions, 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.

Before doing business with any investment professional, all investors, especially senior investors, should check with their state securities regulator 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.



Investigate Before You Invest

A laundry list of credentials after someone’s name does not give them the authority to sell securities.

In most cases, a stockbroker or any other person who wants to sell securities (for example, stocks, bonds, mutual funds, etc.) must be licensed or registered to do so.

The Central Registration Depository system (“CRD”) is a source that you can turn to for this kind of information.

The CRD is a computerized database that holds licensing and registration information on stockbrokers (also called registered representatives) and brokerage firms throughout the country.

How to Request a CRD Report

In order to obtain a CRD report, contact:

**Tennessee Department of
Commerce and Insurance**

Securities Division

1.800-863-9117

or

615-741-2947

state.tn.us/commerce/securities