

Deposit Brokers Fraud

Deposit brokers sell financial instruments such as guaranteed investment certificates, term deposits, government bonds and certificates of deposit. When dealing with a deposit broker, all consumers, including seniors, should ask a lot of questions before they give away their money.

The following are good questions to ask:

1. Is this investment FDIC-insured?
2. Does it require another account relationship?
3. Is the interest rate subject to change?
4. Is your company the issuer of this deposit? If not, what guarantees do I have that I will get my money back if you or the issuing bank goes belly-up?
5. Am I allowed to withdraw from it early if necessary? If not, what are the penalties for early withdrawal?
6. Are you licensed in this state? If so, please provide evidence of the license and the name of the agency that issued the license.
7. How long have you been in business? Are you insured and bonded?
8. Has your company ever been placed under disciplinary action by any state or federal regulator?
9. Have you ever had a license suspended or revoked in Nevada or any other state?
10. Do you have an audited financial statement that you provide to the public?
11. Can you provide references of clients that currently use your services?

Also

- Be alert to fraud by double-checking the existence of a deposit issuer at www.fdic.gov. If you're dealing with a broker, investigate it at www.sec.gov and with your [state securities department](#).
- Obtain a copy of the exact title of your account. If you're dealing with a deposit broker, look for wordage that indicates the brokerage "as Custodian for Customers." This ensures your portion of the CD qualifies for up to \$100,000 in FDIC coverage
- Find out how often you'll be paid interest, and how. Might it be by check or by an electronic funds transfer?
- Examine paperwork to fully understand how your investment works.

Consumers should contact the State of Nevada Consumer Affairs, the [State of Nevada Financial Institutions Division](#), the [Better Business Bureau of Southern Nevada](#), or the [Attorney General's](#)

Office, to verify licensing and to determine if there are any outstanding complaints on file.

Source: Nevada Financial Institutions Division and <http://www.marketwatch.com/news/story/dont-get-duped-enticing-ads/story.aspx?guid=%7B72F4BAC0-1E70-4BAB-94DB-2CFC103E9AAB%7D>