CFP BOARD

FINANCIAL SELF-DEFENSE GUIDE FOR SENIORS

Know the red flags and avoid financial abuse

A consumer guide from Certified Financial Planner Board of Standards, Inc.

Reviewed by Federal Citizen Information Center, U.S. General Services Administration

CFP BOARD

Welcome

As the CEO of Certified Financial Planner Board of Standards, Inc., I continue to be concerned with incidents of consumers—particularly senior citizens—being misled and defrauded. Through surveys we conduct and just reading the news, I know that financial fraud and abuse continues. We are committed to doing our part to protect consumers from fraudulent, unethical practices that can put their financial futures at risk.

More than two years ago, CFP Board's Consumer Advocate, Eleanor Blayney, CFP® wrote the *Consumer Guide to Financial Self-Defense* to help protect consumers from fraud and abuse. Now she has turned her attention to specifically helping older Americans defend themselves against unscrupulous financial advisors.

In these pages, CFP Board's Consumer Advocate alerts older Americans and their loved ones to some of the common types of fraudulent or unethical practices on the part of a financial advisor. She describes these "red flags" and their potential consequences, lists the things that consumers should do to protect themselves, and provides information on how to file an official complaint if unethical or incompetent practices are suspected.

This guide, however, is just a starting point. To truly protect your finances, seek the advice of an advisor who will put your interests first. CERTIFIED FINANCIAL PLANNER™ professionals adhere to a fiduciary standard of care when providing financial planning services, which requires them to put the interests of the client first. A list of CERTIFIED FINANCIAL PLANNER™ professionals in your area is available at LetsMakeaPlan.org, along with helpful financial planning information specifically designed to protect and educate consumers.

This guide is written in dedication to those who have been victims of, or hurt by, financial fraud and mismanagement. I encourage you to use it as a tool to protect yourself and your loved ones.

I wish you success in your pursuit of financial well-being.

Kevin R. Keller, CAE
CEO, CFP Board

Caution: Red Flags Ahead

Older Americans have made significant contributions to our nation. They've raised families, served in the military and their communities, helped build businesses and grow our economy. After years of hard work, they deserve our gratitude and respect.

But too often seniors are victims of financial abuse. Many have accumulated savings over their lifetimes and often own homes with positive equity and become attractive targets for scam artists—including family members and financial professionals—intent on conning them out of their wealth. CFP Board's 2012 Senior Financial Exploitation Survey of CFP® professionals found, for instance, that more than half had personally worked with an older client who had been subject to an unfair, deceptive or abusive practice.

Unfortunately, elders often endure this abuse in silence, afraid to report the perpetrators or uncertain about exactly what has happened. In fact, our survey showed that only five percent of senior citizens actually report financial abuse.

The effects of aging also contribute to elders' vulnerability. Generally as we get older, we must increasingly rely on others for our needs. Ill health or cognitive impairment may hamper our decision-making. Admitting we can no longer manage our financial affairs can be as traumatic as having to give up driving.

It's essential that elders be protected against financial abuse and be provided the tools to defend themselves against scammers. That's why CFP Board has produced this guide, *Financial Self-Defense for Seniors*. Older Americans and their families will find in this guide a series of "Red Flags" based on our survey. Each flag:

- **Identifies a common situation where an elder is vulnerable to financial abuse;**
- **Describes the warning signs of such abuse;**
- **Shares a real-life situation where an older American was taken advantage of; and**
- **Provides advice to elders and their families to protect against this abuse.**

It's time to shine a bright light on the shady operators who abuse our senior citizens. The tips in this booklet are intended to do just that.

Eleanor Blayney, CFP®
Consumer Advocate, CFP Board

RED FLAG 1

"HE SAID HE WAS CERTIFIED TO HELP PEOPLE JUST LIKE ME."

- A "wealth preservation associate" with a Certified Senior Advisor designation informed an audience of seniors that the stock market was too risky and the banking system was about to crash.
- An advisor told a senior that he worked "like an attorney." The senior moved all of his accounts to the advisor without being certain of the financial implications, innocently believing the advisor was trustworthy.

LOOK BEYOND THE LETTERS

A financial advisor hands you his business card with all sorts of letters after his name. You ask him what they mean, and when you hear the words "Accredited" or "Chartered" or "Registered," you assume you are in the right hands. After all, don't those terms mean that the advisor is regulated, just like a doctor or attorney?

The fact is that there are more than 170 known designations and certifications used by financial professionals. Many of them are little more than marketing tools, with no real education needed —much less an exam—to "earn" them. But unless those letters stand for a designation that has rigorous and enforceable standards of ethics and practice—such as the CFP® certification—the trust you place in the advisor could be on shaky ground. Financial planning as a discipline is also not currently regulated by the Federal government and very few state governments, enabling virtually anyone to call themselves a "financial planner."

YOUR SELF-DEFENSE MOVES:

- Cut through the designation confusion and simply ask the financial professional if he is required to provide advice under the "fiduciary standard of care." This obligates him to put your best interests ahead of his own, to fully explain how he is compensated, what his services will cost you, and any conflicts of interest that might affect his recommendations.
- Ask the prospective financial professional which organizations license or supervise his services. If he is a broker, his is supervised by FINRA. If he offers investment advice, he is overseen by the SEC or a state securities regulator. If he sells insurance, he is governed by his state's insurance commission. Check with these organizations to see if the advisor has any history of disciplinary action. (See the list at the end of this guide for resources.)
- Be assured that a financial professional with a CFP® certification has met high standards that are rigorously enforced. A CFP® professional must pass a comprehensive exam, fulfill an experience requirement with work in financial planning, meet ongoing education requirements and adhere to CFP Board's professional standards and code of ethics. CFP® professionals are also subject to enforcement actions ranging from censure to revocation of their certification if found to have violated these standards.

RED FLAG 2

"DON'T WORRY ABOUT THE DETAILS—THEY'LL JUST CONFUSE YOU."

- A retiring client was sold a variable annuity by a "friend" who was also a financial professional, without clear and adequate disclosure of the surrender fees or the surrender terms.

- An advisor told an 80 year-old widow she needed the tax deferral of a variable annuity, when in fact she needed income for her assisted living fees.

IF YOU DON'T UNDERSTAND WHAT'S BEING SOLD, DON'T BUY IT

Financial products are similar to prescriptions: good for what ails you, but there's so much fine print! Being able to read it all is one thing, understanding it quite another.

Annuities and insurance products can offer some real benefits to seniors. A fixed or immediate annuity can promise regular income for a lifetime. A variable annuity offers the possibility of growth, and some carry guarantees to protect against bad investment markets. Whole life insurance can provide tax-free withdrawals, investment upside, and protection from estate taxes.

But these instruments, particularly variable annuities, can be extremely complicated and are often "sold" to seniors on the basis of their benefits alone. What is not necessarily emphasized are the downsides of these products. These include: significant penalties for withdrawing money before a certain date or for transferring the annuity to another provider; high annual expenses; and the possibility of having nothing to leave to heirs if the annuity owner uses the annuity in the way it is intended to be used—namely, by taking periodic distributions over his lifetime.

When a proposed investment has many moving parts, it is imperative that someone takes a closer look and sees how the product works. You can be sure it does not run on the promised benefits alone. The devil is in the details with highly complex products, and you need to know the downsides of these products before signing on the dotted line.

YOUR SELF-DEFENSE MOVES:

- Do not be embarrassed if you do not understand a financial product that is recommended to you. Many extremely wise and successful professionals make it a rule never to invest in products or businesses they don't understand. Be like Warren Buffett, who only "buys what he knows," and make sure that's your rule, too.
- Get a second opinion just as you would for a serious medical diagnosis. Ask a competent financial professional, and make sure this professional will give you his or her opinion as a "fiduciary"—in your best interest, not theirs.
- Make sure you ask about more than just the benefits of any financial product. Most importantly: Can you get your money when you need it? Will you pay a fee or penalty to get your money? What will the financial professional be paid if you buy the product?
- Ask the product provider, "What are the risks?" Make sure you understand the answer.
- REMEMBER: there are no dumb questions, but there are important, simple ones.

RED FLAG 3

“YOU’RE INVITED! WINE, DINE AND LEARN.”

- **A senior bought a variable annuity with a guaranteed minimum withdrawal benefit. He was then invited to a free lunch seminar, misled to believe he did not have a guarantee, and then pitched another annuity to replace the one he bought.**

- **An 80 year-old woman attended a free lunch seminar provided by a local insurance agent who gave her a “free consultation.” This financial professional convinced her to sell her $170,000 bond mutual fund portfolio to buy a “bonus rate” deferred annuity to reduce the taxation of her Social Security income.**

THERE'S NO SUCH THING AS A FREE LUNCH

It looks like an engraved invitation and even has your name printed on it. It states that a reservation has been made for you to dine at a nice local restaurant, at no cost to you. After the meal, a financial expert will give an informative presentation on the best investments for your retirement.

"Why not?," you think. "I'd love to get out a bit, and enjoy a good meal. What's the harm?"

There may be none whatsoever, but there also may be a lot. Sometimes these free meals aren't just pleasant social occasions, but are hard-sell product promotions. You may feel obligated to listen, and when others put their contact information on a list that is circulated, you do too.

The next thing you know, you are being called or even paid a visit by the financial expert, with more sales pressure than before. You start to think, "Maybe those investments are a good idea after all..."

YOUR SELF-DEFENSE MOVES:

- If you decide to attend these events, be prepared for what follows the meal. Don't confuse a sales pitch for good advice or education.
- Be reasonably cautious about recommendations made from a podium. The presenter does not know you or your financial circumstances, and therefore is not in a position to know how you should be investing your money. What he may know, however, is your zip code and its associated wealth demographics.
- NEVER provide personal information at these events. If you are interested in what has been presented, take the presenter's card to research his background and that of his firm before taking any further steps. (For more information on doing a background check on a financial professional, see the list of resources at the end of this guide.)
- It's generally not a good idea to allow an unknown professional to visit you at home for a first meeting. If you are considering working with the professional, go to his business location and take an objective, third-party person with you to listen to the discussion and provide feedback.

RED FLAG 4

"YOU DON'T WANT WHATEVER YOU LEAVE TO YOUR FAMILY OR CHARITY TO BE EATEN AWAY BY TAXES AND FEES, DO YOU?"

- **A senior citizen was led to believe that the only way he could avoid probate on his IRA was to invest it in an annuity.**
- **A childless couple in their 90s wanted to leave their $6 million estate to charity, which could be done simply with a will. But their advisor told them they needed a living trust and also named himself as a trust beneficiary.**

JUST BECAUSE A SO-CALLED EXPERT RECOMMENDS IT, DOESN'T MEAN IT'S RIGHT FOR YOU

In your sunset years, you naturally focus on the legacy you wish to leave behind. It is a source of great comfort and satisfaction to put in place a plan to provide for loved ones and organizations you care about in your will or trusts.

But you worry about things like probate fees or estate taxes and the impact they will have on your estate. Someone on the television or on the phone tells you that a will is not enough and you need more sophisticated estate planning techniques such as a living trust. You might be invited to a seminar to learn how to avoid probate or estate taxes and/or asked for personal information about your assets, properties you own and mortgage information in order to set up a protective trust. Or you are advised that an annuity is your best protection against probate costs.

Beware! While living trusts and annuities are legitimate tools with benefits for some, they are sometimes sold to seniors who do not need them. Seminars and phone solicitations for these products can be breeding grounds for scams. At the very least you may waste your time listening to these pitches, or lose money setting up something you do not need. At worse, you may unwittingly provide a con artist with the information necessary to steal your assets.

YOUR SELF-DEFENSE MOVES:

- Listen and learn if you wish, but be cautious. NEVER buy anything over the phone or provide any personal or financial information to a phone caller or seminar provider. If you are pressured in any way to answer questions or accept any offer, simply say "No thanks." "Good-bye" also works quite well.
- Remember this cardinal rule of financial planning as upheld and enforced by CFP Board: any recommendation of a financial product, strategy or investment without a complete understanding of an individual's needs, goals and circumstances should not be accepted. Yes, a living trust may avoid probate costs, but that fact alone does not mean it is right for you.

RED FLAG 5

"NEED MORE INCOME FROM SAFE FIXED-INCOME INVESTMENTS? WE'LL SHOW YOU HOW."

- **An offshore insurance company guaranteed 20-25% annual return to clients who lent the company money.**
- **An elderly individual received a flyer from an advisor he knew promising 50% annual rate of return without any disclosure information.**
- **A couple in their late 60s needed money to pay for long-term care for a parent. An advisor told them they could earn a 15-20% yield on a mid-term investment. They mortgaged their home to finance the investment, which proved worthless.**
- **The elderly parents of an attorney were sold a "special" CD at a bank. When the attorney looked at the certificate, he discovered the CD was actually an annuity contract.**

IF IT SOUNDS TOO GOOD TO BE TRUE, IT'S PROBABLY NOT LEGITIMATE OR SAFE

Because the elderly generally have relatively short investment horizons, they often prefer the stability of fixed-income investments to stocks. But in a low-interest rate environment, they find that CDs or bonds can only be obtained or renewed at lower rates. How then will they meet rising living expenses on less income?

Financial professionals more interested in making a sale than in protecting the well-being of investors may see a real opportunity in this dilemma so often faced by older Americans. Using the baseline example of low-yielding, safe investments such as Treasury bonds, they may show senior citizens higher-yielding alternatives, without also informing them of the corresponding higher risk.

Seniors may think these comparisons are "apples-to-apples," and naturally prefer the alternative with more juice. What they don't realize, however, is that that juicier apple has a much higher probability of turning out to be a lemon because of the associated risk.

Another deceptive practice is not informing investors that a payout rate—for example, on an annuity—is not the same thing as yield because it includes return of principal. Deception can become downright fraud when a professional lures a senior with the offer of "prime bank guarantees" as a high-yielding investment. They may sound so safe, but in fact there are no such securities.

YOUR SELF-DEFENSE MOVES:

- Memorize this simple rule for fixed-income investments: the higher the expected yield or return, the higher the risk of loss. There are rarely legitimate exceptions to this rule.
- Be wary if you are told you need to invest in foreign securities for higher yields. This can be a scam to trick you to send money abroad where it can disappear and not be traced.
- Get a written description of the benefits AND risks of any investment product you are considering.
- If you are given a lengthy or overly legalistic document in response to your request for a written product description, ask the advisor to explain the risks in terms you can understand. Take careful notes.

RED FLAG 6

"HE'S ONE OF US—I'M SURE YOU CAN TRUST HIM."

- A pastor sold unregistered securities to members of his congregation.
- An elderly individual was approached by a fellow church member, who told him to make an investment in an oil well that yet another church member had recommended. The oil well was supposedly paying a 10% dividend.

DON'T CONFUSE FAMILIARITY WITH TRUST

An old friend refers you to a financial advisor who lives in your neighborhood or belongs to the same religious community. You may have a lot in common with the financial professional and find him very easy to talk to. But this does not mean he is qualified to give you financial advice.

Consider the Bernie Madoff scam. Many of his victims were Jewish leaders or foundations, and trusted Madoff because he was Jewish too. He seemed to understand their specific concerns and supported their causes. It also became a matter of social prestige to be introduced to him and accepted as a client.

There is nothing wrong with sharing an interest or affiliation with the financial professional you are thinking about working with. But be aware that there are some unscrupulous people who use these connections to reel you into their net. Targeting ethnic, religious or age groups to defraud or mislead them is called "affinity fraud," and preys upon our human tendency to feel more comfortable with others who are in some way like us.

YOUR SELF-DEFENSE MOVES:

- Conduct a background check on any advisor you are considering working with, no matter how personable or highly recommended. Check into his business practices, his disciplinary history and how long he has been in business. If he is a registered investment advisor, make sure he gives you a brochure describing his services; he is required to provide this information before you start to work with him.
- Ask the prospective advisor to identify the organizations that license or supervise him. Brokers are regulated by FINRA; investment advisors by either the SEC or a state securities regulator; insurance agents by a state insurance commission; CFP® professionals by CFP Board. You can check with any of these organizations to see if there are any disciplinary actions on record.
- It's always a good idea to take a trusted personal friend or family member with you when you meet a prospective advisor to get their feedback and observations.

RED FLAG 7

"I'LL TAKE CARE OF ALL THE PAPERWORK."

- A broker used forged forms to transfer $720,000 held by a 70 year-old blind man to the broker's own personal accounts, and then sent falsified investment statements.
- A financial professional forged the signature of an 80 year-old on an application for an equity indexed annuity.

THE FINAL SIGN-OFF SHOULD ALWAYS BE YOURS

Financial planning involves a lot of paperwork. To make the process easier, some financial professionals may offer to complete forms for you, using what they know (or think they know) to be your personal information.

Sometimes this helpful gesture can lead to a lot of trouble. The information provided by the financial professional may be incorrect, leaving you without important benefits or coverage. Worse still, an unethical person can deliberately falsify data or forge your signature, resulting in significant financial losses for you.

YOUR SELF-DEFENSE MOVES:

- Regardless of the paperwork burden, DO NOT leave blanks that can be filled in without your knowledge or consent.
- If you need help with paperwork, you can ask your financial professional or a trusted friend or family member to fill in the information, but ALWAYS with the condition that the form comes back to you for a final review and sign-off.
- Ask your financial professional to send you copies of any final, submitted documents. These should be clearly marked with the word “final” (or “submitted”) and the date the document was completed. This gives you hard evidence of having executed documents should a discrepancy arise later.

RED FLAG 8

"ALL OF MY CLIENTS IN THIS FUND ARE MAKING A LOT OF MONEY."

- **A man, age 72, lost most of the $120,000 he invested in a scheme set up by a real estate agent, supposedly to invest in timeshare properties for high returns. He invested $50,000 initially and started to receive sizable income checks, so he invested $70,000 more. The checks then stopped and his investment was lost.**

MAKE SURE THE MONEY OTHERS ARE MAKING ISN'T YOURS

Ponzi schemes have been around for a long time. The classic Ponzi scheme involves paying off a first round of investors with the funds raised from a later round of investors. The "success" of the scam depends on continuing to bring in more capital than what needs to be disbursed in order to keep investors satisfied.

But ultimately the tide turns and there are more withdrawals from the fund than contributions. The Ponzi scheme comes crashing down, leaving all of its many investors with little to none of their original investment.

YOUR SELF-DEFENSE MOVES:

- In considering an investment in a privately managed fund, make sure you understand what will generate the income that is paid out to investors. Ask questions about the business model underlying the investment: will it be profitable and over what time period? If the answers are vague, or if you do not completely understand how the investment works, DO NOT INVEST, no matter how enticing the promised "returns."
- Make sure you receive regular statements from independent third parties on the performance of the investment. These statements should not come from the fund manager investing the money.

RED FLAG 9

"I'VE GOT A MUCH BETTER IDEA FOR YOUR MONEY."

- **Buying and selling in one senior's $150,000 account generated more than $30,000 in commissions for the financial professional in one year.**
- **A widow with adequate retirement income sells her investments on her financial professional's recommendation, incurring huge penalties and disrupting her cash flow, but generating additional commissions for the financial professional making the trades.**
- **A widow held several annuities. Each time one of the annuities was about to run out of surrender charges, she was advised to replace the annuity with another, effectively re-starting the surrender period with much higher costs.**

GET THE FULL STORY: WHO GAINS THE MOST—YOU OR THE FINANCIAL PROFESSIONAL?

When a financial professional tells you it's time to buy or sell an investment or to replace an annuity or insurance policy, make sure this is for your benefit and not just the advisor's.

Ethical financial professionals always work in their clients' best interests when making investment recommendations. In contrast, unscrupulous professionals often base their buy/sell suggestions on the size of their commission or fee. Be particularly suspicious if they are constantly urging you to buy and sell, or undertaking this activity without your consent. There is a word for this activity—"churning"—and it's illegal.

YOUR SELF-DEFENSE MOVES:

- Whenever a transaction is proposed, make sure you know what it will cost you. Ask if you will pay to sell the investment at a later point. Ask about loads, commissions, internal expenses or other transaction costs. The existence of charges is not an abuse, but not being told about them is.
- Just because you pay nothing out of pocket does not mean that the investment does not cost you money. Sometimes the cost comes in the form of a reduction of the amount you have invested. Be sure to ask if this is the case.
- Ask the financial professional: "What do you get paid if I make this investment?" The fact that he gets a commission or a fee from a third party does not in and of itself signal a problem. But if the benefits to you are not sufficient to justify that payment, look for other investment options.
- Consider the timing of the proposed transaction. Sometimes financial professionals questionably recommend that an existing annuity be sold just before its surrender charges disappear, and another annuity be purchased, generating a new set of higher charges.

RED FLAG 10

"STOP PAYING THE BANK FOR YOUR HOUSE, AND LET THE BANK PAY YOU!"

- A senior couple was advised to take out a reverse mortgage and invest in the stock market.
- An elderly woman asked her housekeeper to drive her to the bank to apply for a reverse mortgage. The banker was the housekeeper's boyfriend. The woman signed papers not for a reverse mortgage but for a conventional mortgage. The woman lost her home.

YOU HAVE RIGHTS AS A HOMEOWNER. KNOW THEM.

Of all American homeowners, seniors are the most likely to have considerable equity in their homes. This may be the result of having bought these homes long before home prices greatly appreciated. It's also because, in most cases, they have been paying down their mortgages for many years.

At the same time, many older Americans have seen their financial assets drop in value as a result of market volatility and economic recession. Their home may be their single most valuable asset and the key to keeping up with their expenses in retirement. Many are now inquiring about the use of reverse mortgages as a way to tap their equity.

Unfortunately, there are con artists out there who know, even better than homeowners themselves, the value of the houses and how to manipulate the reverse mortgage process to get that value into their own pockets.

YOUR SELF-DEFENSE MOVES:

- Make sure that any reverse mortgage you consider is provided by a lender approved by the Federal Housing Administration (FHA). These loans are called Home Equity Conversion Mortgages (HECMs). You are required to meet with a counselor approved by the Department of Housing and Urban Development (HUD) before getting these loans. Lenders should provide you with a list of these counselors, from which you should make your choice.
- NEVER sign over your property deed as part of the reverse mortgage process.
- Do not believe anyone who tells you that you must take reverse mortgage proceeds as a lump sum.

"IT'S ESSENTIAL THAT ELDERS BE PROTECTED AGAINST FINANCIAL ABUSE AND BE PROVIDED THE TOOLS TO DEFEND THEMSELVES AGAINST SCAMMERS… IT'S TIME TO SHINE A BRIGHT LIGHT ON THE SHADY OPERATORS WHO ABUSE OUR SENIOR CITIZENS."

Eleanor Blayney, CFP®
Consumer Advocate, CFP Board

Remember Your Self Defense Moves

To prevent financial abuse:

1. **Look beyond the letters**
   Some designations or certifications used by advisors, brokers, insurance agents, bankers and other financial professionals can be confusing or even misleading. Make sure the designation of the person you are working with is backed up by experience, education, examination and ethics requirements. Make sure he practices by a fiduciary standard, too.

2. **If you don't understand what is being said, don't buy it.**
   If you do not understand how a financial product works, don't buy it. If a financial professional cannot or will not explain the product clearly, find someone else.

3. **There's no such thing as a free lunch.**
   There is no such thing as a "free lunch," no matter what that fancy invitation from a local advisor might say. You may get served a good steak, but with a hefty side of sales pressure. Be cautious.

4. **Just because a so-called expert recommends it doesn't mean it's right for you.**
   Just because the advice comes from an expert, does not mean it's a good recommendation for you. The best advice takes into consideration your specific situation and circumstances.

5. **If it sounds too good to be true, it's probably not legitimate or safe.**
   Looking for a safe fixed-income investment that pays high yields is like looking for the fountain of youth: it does not exist. Don't be hoodwinked.

6. **Don't confuse familiarity wiht trust.**
   Just because a financial professional lives in your community or belongs to the same social or religious group does not mean he is a good choice for managing your money. Do your homework and check him out.

7. **The final sign-off should always be yours.**
   Mind the gaps! Do not leave spaces on any account applications or contracts for an advisor to fill in without always checking and signing-off on the completed form.

8. **Make sure the money others are making isn't yours.**
   Make sure there is always a legitimate business activity before you invest. Using money from one investor to provide a "return" to another investor is a classic Ponzi scheme.

9. **Get the full story.**
   Before you take someone's recommendation to buy or sell, ask yourself: who stands to gain most, you or the financial professional? What is the financial professional paid as a result of the transaction?

10. **You have rights as a homeowner. Know them.**
    Your home is your castle. Keep a protective moat around it by knowing your homeowner's rights, especially if you try to tap your home equity.

About CFP Board

Certified Financial Planner Board of Standards, Inc. (CFP Board) is a 501(c)(3) non-profit organization whose mission is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for personal financial planning—one of the fastest growing professions in the country.

CFP Board acts in the public interest by fostering professional standards in personal financial planning by setting and enforcing education, examination, experience, ethics and professional conduct requirements. As of March 2013, there are more than 67,000 CFP® professionals certified by CFP Board in the U.S.

To learn more about CFP Board and CFP® certification, visit **www.CFP.net** or **www.LetsMakeaPlan.org**.

Education

Unlike many professionals in financial services, CFP® professionals must develop theoretical and practical knowledge by completing a comprehensive course of study at a college or university offering a financial planning curriculum approved by CFP Board. More than 330 educational programs at 209 institutions across the country are registered with CFP Board to provide this coursework. To retain certification, a CFP® certificant must also complete ongoing continuing education requirements, including courses on ethics.

Examination

To obtain CFP® certification, an individual must pass the CFP® Certification Examination, a ten-hour, two-day test designed to assess an individual's comprehensive financial planning knowledge and ability to apply that knowledge to real-life financial planning situations. The exam covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance. The overall average pass rate for the exam is 56 percent.

Experience

CFP® professionals must attain requisite financial planning work experience, which may include the supervision, direct support, teaching or personal delivery of all or part of the personal financial planning process to a client.

This hands-on experience guarantees that CFP® professionals have practical financial planning knowledge, so consumers can count on them to help them create a realistic financial plan that fits their individual needs.

Ethics

When it comes to ethics and professional responsibility, CFP® professionals are held to the highest of standards. CFP Board's *Code of Ethics* outlines CFP® professionals' obligations to uphold principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence. And the *Rules of Conduct* require CFP® professionals to put your interests ahead of their own at all times and to provide their financial planning services as a "fiduciary"—acting in the best interest of their financial planning clients. CFP® professionals are subject to CFP Board sanctions—including suspension or revocation of the CFP® mark—if they violate these standards.

Enforcement

CFP Board's rigorous enforcement of its *Standards of Professional Conduct* —including releasing disciplinary information to the public—distinguishes the CFP® certification from the many other certifications and designations in the financial services industry. Everyone who seeks CFP® certification is subject to a thorough background check, and those whose past conduct falls short of CFP Board's ethical and practice standards can be barred from becoming certified. After attaining certification, a CFP® professional who violates CFP Board's ethical and practice standards becomes subject to disciplinary action up to the permanent revocation of certification. Through diligent enforcement of its ethical and practice standards, CFP Board provides consumers with the confidence that the CFP® professional they are working with is both competent and ethical.

Resources and Useful Links

TO FIND A CERTIFIED FINANCIAL PLANNER™ PROFESSIONAL IN YOUR AREA

www.LetsMakeaPlan.org

TO CHECK THE BACKGROUND OF A FINANCIAL PROFESSIONAL

These resources disclose such things as employment history, disciplinary record and registrations.

www.CFP.net/verify
www.finra.org/brokercheck
www.adviserinfo.sec.gov

RESOURCES SPECIFIC TO ELDER ABUSE AND FRAUD

The Consumer Financial Protection Bureau (CFPB)
www.consumerfinance.gov
Email: info@consumerfinance.gov
Phone: 1-855-411-2372

The CFPB's Office of Financial Protectioon for Older Americans offers seniors and their families information and tools to safely manage financial challenges.

The National Center on Elder Abuse (NCEA)
www.ncea.aoa.gov
Email: ncea-info@aoa.hhs.gov
Phone: 1-855-500-3537 (ELDR)

The NCEA's web site contains information on all aspects of elder abuse, including financial exploitation. Visitors can search for local law enforcement and protection agencies as well as other relevant resources on a state-by-state basis. The NCEA also provides telephone numbers for reporting elder abuse for each state.

The National Committee for the Prevention of Elder Abuse
www.preventelderabuse.org
Email: info@preventelderabuse.org
Phone: 646-462-3603

The National Committee for the Prevention of Elder Abuse provides information related to elder abuse, including a designated section to help victims and those vulnerable to elder abuse. The Committee's web site contains information on what to do if individuals feel a loved one is being abused, provides services available to stop abuse, and offers resources in the community.

RESOURCES SPECIFIC TO ELDER ABUSE AND FRAUD

The National Consumers League's Fraud Information Center
www.fraud.org
Phone: 202-835-3323

The National Consumers League's Fraud Information Center allows individuals to submit an online complaint if they feel they have been a victim of possible fraud. The League's web site includes information on common Internet and telemarketing fraud schemes and a specific section on "Fraud Against Older Adults," with tips for prevention.

National Adult Protective Services Administrators (NAPSA)
www.apsnetwork.org

The NAPSA strives to improve the quality and availability of services for disabled and at-risk adults and elderly persons who are abused, neglected or exploited, and other vulnerable adults who are unable to protect their own interests. NAPSA's web site provides contact information for each state's elder abuse centers.

Financial Fraud Enforcement Task Force
www.stopfraud.gov
Email: ffetf@usdoj.gov
Phone: 202-514-2000

The Financial Fraud Enforcement Task Force's mission is to improve efforts across the government and with state and local partners to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, recover proceeds for victims and address financial discrimination in the lending and financial markets. The task force provides resources for victims of:

STOP Medicare Fraud
www.stopmedicarefraud.gov

The U.S. Department of Health and Human Services (HHS) and U.S. Department of Justice (DOJ) are working together to help eliminate fraud and investigate fraudulent Medicare and Medicaid operators who are cheating the system. The Department offers resources for victims of fraud including tips on preventing and reporting potential financial abuse via its web site.

AARP
www.aarp.org/money/scams-fraud

AARP's website includes helpful information on financial fraud with scam alerts and regular tips for consumers of all ages.

Resources and Useful Links

TO FILE A COMPLAINT

Start by taking your complaint directly to the financial professional and the management of your advisor's company or firm. If you fail to get a satisfactory response, then contact the agencies below.

If the complaint is about a CFP® professional, contact:

CFP Board
www.CFP.net/report-misconduct

If the complaint is about a broker or securities product (such as stocks or mutual funds), contact:

The Financial Industry Regulatory Authority (FINRA)
www.finra.org/Investors/ProtectYourself/p118628

Your state securities regulator
www.nasaa.org/about-us/contact-us/contact-your-regulator

If the complaint is about an insurance salesperson or product (such as insurance policies or annuities), contact:

Your state insurance commissioner
https://eapps.naic.org/cis/fileComplaintMap.do

If the complaint is about an investment adviser or investment advice, contact:

The U.S. Securities and Exchange Commission (SEC)
www.sec.gov/complaint.shtml

Your state securities regulator
www.nasaa.org/about-us/contact-us/contact-your-regulator

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The mission of Certified Financial Planner Board of Standards Inc. (CFP Board) is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for personal financial planning.

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