

“Free Lunch” Investment Seminars— What To Look Out For

(NAPSA)—If you’re ever invited to a free seminar that promises to teach you about investing or managing money in retirement, and that comes with a free meal, there may be a few facts you should digest first.

Research by the FINRA Investor Education Foundation found that 64 percent of Americans age 40 and older have been invited to so-called “free lunch” seminars. While a free meal or prize might be enticing, in many cases the goals of these seminars are to recruit new clients and sell products.

“Even when described as purely educational, free-meal seminars typically have one aim and that’s to sell you something,” said FINRA Foundation President Gerri Walsh. “That ‘something’ might be a book, a particular product or financial services. But just because someone buys you a meal doesn’t mean you have to swallow any pitch—that day or days down the road.”

Securities regulators such as FINRA conducted more than 100 examinations of free-meal seminars. In half the cases, invitations and advertisements contained exaggerated or misleading claims, and 12 percent of them appeared to involve fraud.

If you decide to attend a free-meal seminar, be cautious and informed:

- Watch out for conflicts of interest. Even if the people who host a seminar or speak at the event are industry experts, they might not be the ones actually paying for it. At times, insurance companies or mutual funds finance these seminars, expecting the speaker to drive sales of their products.

- Do your homework before the seminar. Verify that the salesperson is licensed and the investment is registered at www.SaveAndInvest.org/LearnMore.



Be cautious and informed before you attend a free-meal financial seminar, says FINRA Foundation President Gerri Walsh.

- Ask questions while you’re there. What are the risks of this investment? How much does it cost initially to purchase the investment? For what type of investor is this investment a good idea? For what type of investor is this investment a bad idea?

- Don’t buy anything or open an account on the spot. The seminar might be intended just to introduce you to the product, with a hard sell later. After the event, do some research on your own. Understand the risks. While the prospect of high rates of return might sound tempting, remember that there may be additional risks or costs associated with the product.

- Savvy investors refuse to be rushed. A good investment will be available tomorrow or next week or next month when you’re ready and understand where your money is going. Rarely, if ever, do you have to invest your money on the spot.

For resources that can help you avoid investment fraud, visit the FINRA Foundation’s website at www.SaveAndInvest.org/LearnMore.