



Utah
Department
of Commerce
Division of Securities

PROVIDING INVESTORS WITH THE INFORMATION AND
RESOURCES THEY NEED TO MAKE INFORMED
DECISIONS ABOUT THEIR INVESTMENTS.



Investor news

Fall 2014

Watch for the Division of Securities at the following events:

Oct. 2-3

Salt Lake County Senior Expo
South Towne Expo Center, Sandy

Oct. 3

Utah Retirement System Personal Planning
Seminar (for members)—Provo

Oct. 8

Osher Institute Lunch and Learn
Fort Douglas Commanders House
U of U Campus

Oct. 8

AARP Real Possibilities University
St. George Senior Center

Oct. 16-17

Utah Education Association Expo
South Towne Expo Center, Sandy

Nov. 6

AARP Real Possibilities University
Living Planet Aquarium, Sandy

Nov. 12-14

Utah Association of Counties
Annual Conference
Dixie Convention Center—St. George

Nov. 14

SunRiver Community—St. George

Nov. 19

Wingmen Travel Expo
Hill Air Force Base Clearfield

What you should know about Financial Professional Titles, Licenses & Professional Designations

Financial professional titles and licenses are not the same.

A financial professional may use various titles whether or not he or she is registered or licensed with a regulatory authority. Working with a financial professional who is registered with or licensed by federal or state authorities affords you certain legal protections. The same financial professional may register in more than one capacity.

Broker-dealer agents sell securities and other investment products. Generally, the term **broker-dealer** refers to a firm rather than an individual; an individual in a firm is known as a broker-dealer agent.

Investment adviser representatives give advice about securities and other investment products and provide ongoing management of investments based on clients' objectives.

Generally, the term **investment adviser** refers to a firm rather than an individual; an individual in a firm is known as an investment adviser representative. In some instances, an investment adviser is operated by only one person and, in this case, the individual is both the investment adviser and the investment adviser representative. With the distinction sometimes difficult to discern, investment adviser representatives are often commonly referred to as investment advisers.

Financial planners design an overall plan for their clients to save, invest, and manage their money. Planners who provide

specific investment advice— such as recommending particular financial products or investments— must be registered or licensed as investment adviser representatives and are subject to a fiduciary duty.

Also be aware that Financial Analyst, Financial Adviser (Advisor), Financial Consultant, Financial Planner, Investment Consultant or Wealth Manager are generic terms or job titles, and may be used by investment professionals who may not hold any specific credential.

Many state securities and insurance regulators do not allow financial professionals to use a designation-in particular a “senior designation”— unless it has been accredited by either the American National Standards Institute or the National Commission for Certifying Agencies.

Numerous state regulators also allow financial professionals to use a designation if the organization that offers it is on the Dept. of Education's list of Accredited Agencies and the designation does not primarily apply to sales and/or marketing.

Whether you choose a broker, investment adviser, or financial planner, make sure you verify the person's registration or license, background, and employment history by contacting the Utah Division of Securities or visit our website at securities.utah.gov.



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Hot Topics *for* Savvy Investors

Free "Social Security" Seminars

Seniors are often invited to free seminars. They are lured by the promise of educational topics such as investing strategies, managing retirement income, eliminating market risks - the 'guarantee', and now a seminar with a new twist, 'Maximizing Your *Social Security*'. These words should be red flags for investors.

These seminars offer "free" advice by "experts" on how to attain a secure retirement, or offer financial planning or strategies that will ensure the maximum Social Security payout. Seniors seeking educational information should be aware that the primary goal of these seminars is to obtain new customers and sell investment products that will pay high commissions to the salesman. Three key things to remember:

1) **Seminars are designed to sell**, no investment means no commission and they *do not* do it for free. 2) **Salesmen are 'so nice' and well dressed**, all to ensure the investor believes in them and what they are saying. 3) **Check the person and the investment**— Are they registered with the Division of Securities?

Before you consider attending any investment seminar, you should know the tactics and influence techniques that sellers, both legitimate and not-so-legitimate, use. These include: **Phantom Riches**—dangling the prospect of wealth, enticing you with something you want but can't have. "This investment is guaranteed to give you \$6,000 per month in income." **Source Credibility**—claiming to have a special credential or experience. "Believe me, as a Senior Investment Specialist, I know how to take care of your retirement needs." **Social Consensus**—leading you to believe that other savvy investors have already invested. "This is how ___ got his start. I know it's a lot of money, but I'm in this investment and so is my mom and half her church — and it's worth every dime." **Reciprocity**—providing something that makes you feel obligated to reciprocate or offering to do a small favor for you in return for a **big favor**. "I'll give you a break on my commission if you buy now — half off." **Scarcity**—creating a false sense of urgency by claiming limited supply. "This product is changing, there is only two days left before it is no longer available."

True "experts" in Social Security benefits can tell you why they are an expert including the training and work experience they have that qualifies them as an expert. The link below will help you understand basic Social Security concepts to help you ask questions. Don't fall prey to just another sales pitch, ASK QUESTIONS and do your homework.

To view a 30 min. online presentation produced by the Social Security Administration titled "How Social Security can help you plan for Retirement", visit: <http://www.youtube.com/watch?v=eUjil1tqVpiE&feature=youtu.be>

What is an RMD? Does it matter to you?

Required Minimum Distributions (RMDs) generally are minimum amounts that a retirement plan account owner must withdraw annually starting with the year that he or she reaches 70 ½ years of age or, if later, the year in which he or she retires. However, if the retirement plan account is an IRA or the account owner is a 5% owner of the business sponsoring the retirement plan, the RMDs must begin once the account holder is age 70 ½, regardless of whether he or she is retired.

Retirement plan participants and IRA owners are responsible for taking the correct amount of RMDs on time every year from their accounts, and they face stiff penalties for failure to take RMDs.

The RMD rules apply to all employer sponsored retirement plans, including profit-sharing plans, 401(k) plans, 403(b) plans, and 457(b) plans. The RMD rules also apply to traditional IRAs and IRA-based plans such as SEPs, SARSEPs, and SIMPLE IRAs. The RMD rules also apply to Roth 401(k) accounts. However, the RMD rules do not apply to Roth IRAs while the owner is alive.

To learn more, find "Retirement Plans FAQs regarding Required Minimum Distributions" at www.irs.gov/Retirement-Plans/Retirement-Plans-FAQs-regarding-Required-Minimum-Distributions.

For New Subscribers:

To receive this quarterly newsletter, call the Division or send an email to

securities@utah.gov

In the subject line, please include the words:

"Subscribe to Quarterly Newsletter"

Resources for Retirees

The following websites may contain important information to assist you in making wise financial decisions in your retirement years:

Sponsoring Agency

Utah Division of Securities

Securities & Exchange Commission

FINRA

Pension Benefit Guaranty Corporation

Financial Literacy Dept. of the Treasury

Websites

securities.utah.gov

sec.gov & investor.gov

finra.org & saveandinvest.org

pbgc.gov

mymoney.gov