

Protect Your Nest Egg

an alert from the Roxborough Law Office

Continually, for the past few years, we have been hearing an alarming tale from our elderly clients who have lost their hard earned savings.

Has this happened to you? It even happened to my parents.

This is one scenario that we have heard repeated many times:

You have just sold your home, or your CD has matured, or you were fortunate enough to cash out some stock and at least break even. You go into the branch of your local bank, perhaps one with whom you have done business for years. You want to deposit your money into your savings or checking account or to get a bank CD. Instead, your friendly bank teller directs you to someone who has an office in the bank and who tells you that the rates are too low in the savings or checking or CD, so you should invest in a better way. He or she tells you about high interest rates and safe investments and may reference Treasury Bills, or Mutual Funds, or a Brokerage Account, or an Annuity, or an Insurance Fund. It sounds really good and you trust your bank, so some papers are put in front of you.

Here is the problem - YOU MAY HAVE SIGNED THOSE PAPERS without really understanding what this investment is and without knowing how it will affect you when you need the money.

STOP.

Several of our elderly clients have lost all their savings in these investment "products". Others cannot cash out of these products to pay their living expenses without stiff penalties and without a significant realized loss.

Here is another scenario:

My parents were at home two winters ago when the phone rang. My dad answered the phone and the bank clerk told my dad that there was some problem with his account. Alarmed, he, using his walker, and my mother, both of them in their 80's at the time, made their way in freezing weather to the bus stop on Ridge Avenue, waited for a bus, and rode down the Ridge to the bank. They were directed to a man who had an office right there in the branch. He told them that there was no "problem" with their account, that my dad must have misunderstood, but that their interest rate was too low. He gave them papers to sign.

STOP.

Fortunately, my dad told him that his daughter is a lawyer and he wanted me to look the papers over first. What was being proposed was a risky and inappropriate investment product for an elderly couple. So, the paperwork went in the trash and I contacted every bank where my parents had accounts and changed their phone number to my cell number. And guess what? I still get those calls.

Yes, it is all legal. The banks are allowed, because of de-regulation over the past several years, to authorize the selling of various investment products through their offices. Particularly disturbing is that the friendly investment representative who advises you is not even a licensed broker nor a tax accountant.

You are receiving this letter from our office because you are one of our estate planning clients and we do not want this to happen to you.

PLEASE protect yourself. DO NOT SIGN any document without first having a legal review and an assessment of the appropriateness of this product for your needs.

CALL US. E-MAIL US. A quick consultation and review of those papers could save you your entire hard-earned life savings. We are here to help.

Sincerely,

Debra Valenti-Epstein, Esquire
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