

- financial planning product.
4. Ask the promoter how much **sales commission** he makes on the investment, and how many years you before you can cash in the annuity without a substantial penalty (to repay the sales commission). **COMPARISON SHOP.** Annuities can have high commissions, long penalty periods, and high annual administrative fees compared to other products. Independently check the ratings of the insurance company that markets the annuity.
  5. If you're promised a guaranteed high interest rate/return, ask for **how many years the rate is guaranteed**, and to what minimum rate it will revert. It is inadvisable to purchase a tax deferred annuity with IRA funds.
  6. Know your **cancellation rights**. California law requires that sellers who come to your home to sell goods and services (**not including insurance and annuities**) that cost more than \$25 must give you two copies of a notice of cancellation form to cancel your agreement. You, the buyer, may cancel this transaction at anytime prior to midnight of the third business day after the date of this transaction. For annuities, you should insist on seeing the con-

tract cancellation rights before you buy.

7. Find out if any **complaints have been filed** against the person, the company he is representing and/or the insurance company whose products the person is promoting, by calling the Chamber of Commerce, the Better Business Bureau, the Attorney General's or the Department of Insurance - Consumer Complaint Department.
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## PREYING ON THE ELDERLY

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## TRUST MILLS

AND

## ANNUITY SCAMS



ROSEVILLE  
AUBURN



## EXPLOSION OF LIVING TRUST MILLS

California consumers, particularly senior citizens, should be on the alert for con artists operating “living trust mills”. We’re experiencing an explosion of promotions by unqualified individuals and companies, which have **only one real goal** – to gain access to your finances to fraudulently sell you insurance-based products, such as annuities, notes, and other commission-based products, that aren’t really in your best interests.

## PHONY CREDENTIALS

Many of these so called-investment agents use phony titles such as “certified senior consultant”, “living trust adviser,” “senior estate planner”, or other titles to give themselves a **cloak of legitimacy** and to falsely suggest that the salesman has received advanced training from a recognized authority and is an expert in living trusts. These salesmen are not attorneys and not experts in estate planning.

## TRUST MILL PRODUCT

These salesmen sell you a living

trust, but you never get to consult with a qualified attorney. This trust is not tailored to your individual needs and circumstances. **One size fits all. Most importantly, this trust may not even comply with California law, and may have adverse tax and other consequences!**

## SEMINARS/HOME SOLICITATION

These salesmen frequently contact you through assisted living centers, senior centers, churches, benevolent organizations and other places where seniors gather, hooking elderly victims with **free seminars** and other sales presentations. They meet you in your home, schedule a second visit to deliver the trust for your signature, and then, under the guise of funding the trust, find out about your savings and investments.

## SCARE TACTICS

In preying on elderly victims, these promoters use scare tactics. They tell you your bank accounts and investments are risky, and that you **could lose everything in the market, to the State or to the nursing home**. They fraudulently claim their product is 100% safe. They fail to disclose that you could incur serious tax consequences, fees and penalties for transferring your investments to their annuities

and notes..

## HOW CAN I BE SURE I’M NOT DEALING WITH A LIVING TRUST MILL?

1. **Be wary of solicitors** who insist on receiving confidential and detailed information about your assets and finances. Know whom you are talking to and insist on identification of the person. Watch out for companies that sell trusts and also try to sell annuities, insurance, notes, or other investments.
2. Before considering a living trust, or any other estate or financial planning document, service or investment, **consult with a lawyer** who is knowledgeable in estate planning, or with a reputable **financial adviser** who is knowledgeable in the full range of investment products (not just insurance products), and who is not trying to sell a product which may be unnecessary.
3. Before you buy anything, always ask for time to consider and reflect on your decision. **Do not allow yourself to be pressured** into purchasing any estate or fi-