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## **Portland Events to Provide Guidance in Retirement Investing and Recognizing Scams**

“It was family and we were dumb enough to fall for it.”

Mauvline Finley doesn't mince words when she describes how she and her husband, Bill, were duped – on two separate occasions – into investing money with Bill's brother-in-law, Edward M. Johnson. The Oregon City couple put their trust and \$41,000 of retirement savings into what was described by Johnson, of Portland, as a “sure thing” investment.

Almost immediately Mauvline and Bill saw warning signs. There were no promised monthly statements showing their “guaranteed 50 percent return.” There were no monthly interest checks – instead Johnson gave them cash but only when the Finleys pressed him. Finally, Johnson told them that their original investment was in a London bank when months earlier he assured them that their money would never go beyond an Oregon City bank. Johnson's explanation? The money was still in Oregon but the interest earned on their investment was coming from London. The Finleys chose not to go to the authorities to report their suspicions and ultimately lost their investment.

Another victim of Johnson discovered the deception, went to her attorney, and will receive restitution for her lost investments. Evelyn Eckstrom of Gresham and her late husband were defrauded by Johnson in December 2001. Johnson pleaded guilty in March 2008 to one count of securities fraud and one count of aggravated theft by deception; on April 4, he was sentenced by Clackamas County Circuit Judge Steven L. Maurer to three years probation and ordered to pay Eckstrom \$200,000 in restitution.

Every year Oregonians – many elderly – lose hundreds of thousands of dollars through investment fraud. In an effort to reverse this trend, the Department of Consumer and Business Services (DCBS), AARP Oregon and Elders in Action, are hosting two free Portland-area events that will help investors make good decisions

when saving for retirement, and teach them where and how to check the credentials of financial professionals and how to spot scams.

The two events, entitled “Wise and Safe Investing,” are scheduled for **April 22** in Wilsonville at the Holiday Inn, 25425 SW 95<sup>th</sup> Ave., and **April 24** in Gresham at the Multnomah County East Building, 600 NE 8<sup>th</sup> St. Both events begin at 9:30 a.m. and will include free parking, admission and lunch. For those attending the Wilsonville event, there will be free document shredding available from 8 a.m. to 10 a.m.

This event also will feature speakers from two federal agencies: Chuck Harwood, Northwest region director for the Federal Trade Commission, and Sahil Desai, an attorney in the Office of Enforcement for the Securities and Exchange Commission, San Francisco regional office.

“A sound retirement financial plan involves setting goals and conducting research, both on the potential investments and the person and firm touting the product,” said David Tatman, administrator for the Division of Finance and Corporate Securities, a division of DCBS. “But far too often we see retirees who have lost their entire savings to con artists who effectively use high-pressure sales tactics or convince the victim of their friendship. Call us *before* you invest.”

In a November 2007 survey commissioned by AARP Oregon, two-thirds (66 percent) of those Oregonians 40 years and older polled currently invest or own securities such as stocks, bonds, or mutual funds including a 402(k) or annuity through a company or on their own. However, only 15 percent say they are highly knowledgeable about making financial investments in such securities.

“The average Oregonian needs to more financially savvy than ever before,” said Jerry Cohen, state director of AARP Oregon. “This means that whether individuals are shopping for a mortgage, reading their credit card statements, or looking to invest their money they are going to have to develop an eye for unscrupulous practices and take the steps necessary to protect their assets. Financial security is integral to health of our state and its citizens – that’s why we’re partnering to bring these free forums.”

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The Division of Finance and Corporate Securities (DFCS) helps ensure that a wide range of financial products and services are available to Oregonians and protects consumers from financial fraud and abuse. It does that by licensing financial institutions and service providers, regulating the sale of securities in Oregon, investigating complaints and alleged violations of financial-service laws, and providing education and other resources to consumers.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit [www.dcbs.oregon.gov](http://www.dcbs.oregon.gov).