NEWS RELEASE

For Immediate Release – October 1, 2013

Contact: Fred Joseph, Banking and Securities Commissioner or Gerald Rome, Deputy Securities Commissioner at 303-894-2320

Colorado Division of Securities Warns Investors to Watch for Flood-Related Schemes

Following the widespread destruction caused by flooding in Colorado, the Colorado Division of Securities today warned investors to beware of opportunistic investment schemes related to rebuilding and recovery efforts.

Unfortunately, we know from experience that disasters bring out the worst in some people, especially those seeking to profit from the misfortunes of others. Potential investors should be very cautious if approached with unsolicited flood-related investment offers,” said Securities Commissioner Fred Joseph.

In particular, Commissioner Joseph noted that cold-calling telephone salespeople, advertisements, and Internet postings that promote investment pools or bonds to help flood victims, or tout water-purification technologies and distressed real estate remediation programs should be a red flag for investors.

People also should be aware of the rush of solicitations that follow a highly publicized natural disaster or other crises. “There will be fraudulent charity solicitations,” Commissioner Joseph said.” Some will be looking for your money; some will be attempting to steal your credit card information for identity theft. As with any charitable contribution, people wanting to help with relief efforts following the flooding should send contributions to only those charities with an established track record.”

The Division of Securities also warned that fake victims may attempt to use social media to dupe well-intentioned donors. “Do not donate to unknown individuals that purport to need aid that post on Facebook, Craigslist, Twitter or other social media sites. These are likely to be fraudsters, much less a victim of the flood,” Commissioner Joseph said.

Recalling that many con artists attempted to exploit investors in the aftermath of Hurricane Katrina in 2005 and Hurricane Sandy in 2012, Commissioner Joseph urged investors to:

* Hang up on aggressive cold callers promoting flood-related investments and delete unsolicited e-mail or Internet messages discussing small companies with new hurricane-related technologies or products.

* Use common sense. Pie-in-the-sky promises often signal investment fraud.

Contact the Colorado Division of Securities to check that both the seller and investment are licensed and registered. If not, they may be operating illegally. The Division of Securities can be reached at 303-894-2320.

The Colorado Division of Securities is responsible for the administration and enforcement of the Colorado Securities Act, the Colorado Commodity Code, the Colorado Municipal Bond Supervision Act, and the Local Government Investment Pool Trust Fund Administration and Enforcement Act. The Division licenses and regulates stockbrokers and investment advisers and the securities investments they offer, sell, and advise about in Colorado. The Division also investigates cases of alleged securities fraud.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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