



TOP 10 INVESTING SCAMS

Someone's always ready to empty the pockets of the investor who's overly eager for outsized returns. The quest for a safe investment vehicle is the common theme in all the scams. Here are the top 10, ranked roughly in order of prevalence or seriousness:

1. **Ponzi schemes.** A promise of 40% returns? This is an old scam named for Charles Ponzi, a swindler from the early 1900s who conned \$10 million from investors by promising 40% returns. Countless crooks have copied his scam. The formula is simple: Promise high returns to investors and use their money to pay previous investors.
2. **Senior investment fraud.** Record-low investment rates, rising health care costs and an increased life expectancy have set seniors up as targets for con artists peddling investment fraud -- like Ponzi scams, unregistered securities, promissory notes, charitable gift annuities and viatical settlements. In 2003, Pennsylvania securities regulators shut down a Ponzi scheme that swindled \$2 million from seniors' pensions and IRAs.
3. **Promissory notes.** These are short-term debt instruments often sold by independent insurance agents and issued by little known or nonexistent companies. They typically promise high returns, upward of 15% monthly, with little or no risk.
4. **Unscrupulous stockbrokers.** As share prices tumble, some brokers cut corners or resort to outright fraud, say state securities regulators. Investors who have grown more cautious and scrutinized their brokerage statements have discovered their financial adviser has been robbing them via unexplained fees, unauthorized trades or other irregularities.
5. **Affinity fraud.** Taking advantage of the tendency of people to trust others with whom they share similarities, scammers use their victim's religious or ethnic identity to gain their trust and then steal their life savings. The techniques range from "gifting" programs at churches to foreign exchange scams.
6. **Unlicensed individuals, such as independent insurance agents, selling securities.** From Washington State to Florida, scam artists use high commissions to entice independent insurance agents into selling investments they may know little about. The person running the scam instructs the unlicensed sales force to promise high returns with little or no risk. This scam has made the top 10 list three years running. Investors approached by an independent agent should first call the state's securities regulator and ask if the salesperson is licensed. Then ask whether the investment being offered is registered as well. If the answers are yes, the investors should be more comfortable about the product. But investors should review the product with the same healthy skepticism that they would any investment opportunity.
7. **"Prime bank" schemes.** Con artists promise investors triple-digit returns through access to the investment portfolios of the world's elite banks. Purveyors of these schemes often target conspiracy theorists, promising access to the "secret" investments used by the Rothschilds or Saudi royalty. In an effort to warn investors, the Federal Reserve pointed out that these don't exist. But unfortunately, that government denouncement just feeds into the conspiracy mindset linked to this scam.
8. **Internet fraud.** According to NASAA, Internet fraud has become a booming business. For example, federal, state, local and foreign law-enforcement officials targeted Internet fraudsters during Operation Cyber Sweep in November 2003 -- and identified more than 125,000 victims with estimated losses of more than \$100 million.

BRIAN ORTIZ
REAL ESTATE BROKER

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DID YOU KNOW?

More than 2,700

Are you thinking about buying a home or investing? Or do you know someone who is? We provide a FREE, Comparative Market Analysis to help determine the value of a home, all you have to do is call.

REAL ESTATE QUESTION

Q: Is there a tax deduction associated with moving?

A: You may be eligible for an income-tax break for moving expenses when you take a new job, if your new workplace is at least 50 miles farther from your old home than your old workplace was. You may take the deduction even if you do not itemize

Do you have a question about Real Estate?

If you have a question please feel free to call me at **363-8358**.

"The Internet has made it simple for a con artist to reach millions of potential victims at minimal cost," says Lambiase, of NASAA. Lambiase warns consumers to avoid the infamous Nigerian 419 scam, saying Internet users should ignore e-mails from individuals in need of help who want to deposit money in overseas bank accounts.

"Don't be dot-conned," he says. "If you get an e-mail pitching a deal that can't be beat, hit delete."

9. Mutual fund business practices. Recent mutual fund scandals have made the national news and attracted the attention of investors and launched several investigations. "These investigations demonstrate a fundamental unfairness and a betrayal of trust that hurts Main Street investors while creating special opportunities for certain privileged mutual fund shareholders and insiders," says Lambiase. "We will continue to actively pursue inquiries into mutual fund improprieties," he says.

10. Variable annuities. As sales of variable annuities have risen, so have complaints from investors -- most notably, the omission of disclosure about costly surrender charges and steep sales commissions. According to the NASAA, variable annuities are often pitched to seniors through investment seminars -- but regulators say these products are unsuitable for many retirees. Lambiase says variable annuities make sense only for consumers who can afford to have their investment locked up for 10 years or longer. "Our fight against fraud never stops because each year con artists discover new ways to fleece the public," says Lambiase. "Sadly, many of the age-old scams still work to cheat victims of their hard-earned savings as well."

IT PAYS TO REMEMBER THAT IF AN INVESTMENT OPPORTUNITY SOUNDS TOO GOOD TO BE TRUE, IT USUALLY IS.

Visiting this site may provide you with more information about fraud: www.quatloos.com/investment_fraud.php

STOP AND THINK

Maya Angelou said this:

"I've learned that no matter what happens, or how bad it seems today, life does go on, and it will be better tomorrow."

"I've learned that you can tell a lot about a person by the way he/she handles these three things: a rainy day, lost luggage, and tangled Christmas tree lights."

"I've learned that regardless of your relationship with your parents, you'll miss them when they're gone from your life."

"I've learned that making a 'living' is not the same thing as 'making a life'."

"I've learned that life sometimes gives you a second chance."

"I've learned that you shouldn't go through life with a catcher's mitt on both hands; you need to be able to throw some things back."

"I've learned that every day you should reach out and touch someone."

"I've learned that I still have a lot to learn."

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

We sincerely value our clients and we would like to let you know that we greatly appreciate your business.

REAL ESTATE TIP

Next time you move you can save as much as 50% on an interstate move by renting from the do-it-yourselfers (U-Haul, Ryder and Penske, among others), instead of hiring someone to do the packing and the driving for you. But who really *wants* to drive a rental truck? Now there's another option: Household-freight companies such as ABF U-Pack Moving, Broadway Express, and Door to Door will do the driving for you. The company leaves a crate or trailer outside your house; you pack the boxes and load them into the crate, and you unload them after the move.

Moving the contents of a three-bedroom home 1,900 miles would cost an estimated \$2,984, including gas, if you rented a U-Haul truck. A comparable move would cost \$3,057 with ABF U-Pack -- only about \$75 more. By comparison, having Allied Van Lines do the driving for you, *without* its optional packing service, would run at least \$6,090.

COMEDY CORNER

In the Hospital the relatives gathered in the waiting room where their family member lay gravely ill. The doctor came in looking tired and somber "I'm afraid I'm the bearer of bad news," he said, as he surveyed the worried faces.

"The only hope left for your loved one at this time is a brain transplant. It's an experimental procedure, semi-risky and you will have to pay for the brain yourselves." The family members sat silent as they absorbed the news. After a great length of time, someone asked, "Well, how much does a brain cost?" The doctor quickly responded \$3,000 for a male brain, and \$1,000 for a female brain." The moment turned awkward. Men in the room tried not to smile, avoiding eye contact with the women. But one man, unable to control his curiosity blurted out the question everyone wanted to ask, "Why does the male brain cost more?" The doctor smiled at his childish innocence and to the group said, "It's standard procedure, we have to mark down the price of the female brains because *they* have been used."

COOKING CENTRAL

One Step Pound Cake

2 ¼ cups all-purpose flour, 2 cups sugar, ½ tsp. Salt, ½ tsp. Soda,
¼ tsp. almond or lemon extract

1 tsp. Vanilla, 1 cup butter or margarine (softened), 1 cup dairy sour cream, 3 eggs

Preheat oven to 325° F. Grease and flour 12 cup fluted tube pan. Combine all ingredients in a large mixer bowl. Blend at low speed. Beat 3 minutes at medium speed. Pour into prepared pan. Bake for 60 to 70 minutes until top of cake springs back when touched lightly in center. Cool cake upright in pan for 15 minutes; remove from pan and cool completely before glazing.

Glaze: 1 cup powdered sugar, 1 to 2 tbsp. lemon juice

Combine powdered sugar and enough lemon juice to make drizzling consistency. Drizzle over cooled cake

THOUGHT OF THE MONTH

Do not wait to strike till the iron is hot; but make it hot by striking.

William B. Sprague

REAL ESTATE STATS FOR THE ALBUQUERQUE METRO AREA

For the Month of: March

Homes sold: 884

Homes listed: 2,527

Average price of home sold:

\$230,916

Average days on the Market:

42

Compared to previous month:

For the Month of: February

Homes sold: 673

Homes listed: 1,836

Average price of home sold:

\$225,795

Average days on the Market:

45

Brian Ortiz
B² Real Estate
6739 Academy Rd NE Suite 140
Albuquerque, NM 87109

TO OUR VALUED CLIENT

B² NEWSLETTER

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SOMEONE YOU
KNOW, IS
THINKING ABOUT
BUYING, SELLING,
INVESTING IN, OR
REFINANCING
REAL ESTATE, WE
WOULD LOVE TO
BE THE ONES YOU
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Cell: (505) 363-8358
Office: (505) 821-0852
Toll free (866) 821-0852

6739 Academy Rd NE
Suite 140
Albuquerque, NM
87109
Fax: (505) 821-0854

brian@bsquarerealestate.com

THANK YOU! THANK YOU! THANK YOU!

Thanks for all the great referrals you have given me this past month. I feel it is my obligation to provide my customers with the BEST Real Estate service from the BEST Real Estate Company in the nation. I would like to personally thank the following people for their referrals. It is wonderful people like you whom I build my business upon. I just couldn't do it without you.

Lori, Rey, and Marisol Gallegos
Valued Family

Alfonso Garcia
B Square Agent

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