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BECAUSE COMMUNITY MATTERS

Don't fall for pitches that are Ponzi schemes

Ever come across a sure-fire investment that guarantees great returns on your money? It's a sales pitch that's been used many times and, unfortunately, many people have fallen for it. Many of these get-rich-quick investments turn out to be nothing more than Ponzi schemes in which old investors are paid with money from new investors.

In the Cincinnati area we've seen such schemes over the years from a so-called ticket broker to a man who guaranteed a 10 percent return on people's



Howard Ain
HEY HOWARD!

money. Both men eventually ended up in prison, just like Bernie Madoff, but not before a lot of people ended up losing tens of thousands of dollars.

There are ways to spot such Ponzi schemes and Rob Siegmann, of the Financial Management Group in Blue Ash, offers seven tips. First, he says, "Make sure you under-

stand the investment strategy and how it works...If you don't understand the investment, look for a different financial strategy."

Second, check your adviser's credentials to see if they're registered with state or federal regulators. Most financial advisors have earned the CFP, CFA, or CPA designations. Siegmann says, "I would call into question the knowledge of salespeople without those respected credentials." Check with the U.S. Securities and Exchange Commission to see if any complaints have

been filed against an adviser, rather than just checking with an adviser's happiest clients.

Beware of a hard sell because, Siegmann says, "A good value proposition should sell itself. High pressure tactics mean your adviser is eager to make a commission check. Ultimately, a long term relationship with your adviser is best. If you experience a hard sell, your adviser may not stay with you for a long time."

Never write checks to an individual or their firm unless it is a large and

trusted custodian like Charles Schwab, Vanguard or Fidelity. Siegmann says, "Your money should be held in your name. Also, there are no benefits worth the risk of co-mingling your money with others in an 'omnibus account.'"

Next, Siegmann says, "You want your money in an independent account, not in your adviser's account or with his or her firm." You should receive regular statements from a qualified, trusted, independent custodian.

Ask how the adviser is

getting paid. Some work for a set fee or percentage while others get commissions based on the investment products they sell such as life insurance or annuities. Commission-based advisers can have a place but you have to be careful clients don't get loaded up with expensive products.

So now, as many begin to invest again, you need to carefully pick a financial adviser.

Howard Ain's column appears bi-weekly in the Community Press newspapers.

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ENQUIRER WATCHDOG



Summer is a busy time at food pantries such as Northeast Emergency Distribution Services. PROVIDED

Hunger never gets a summer vacation

"Give thanks with a grateful heart," reads the posting in the St. Paul Community United Methodist Church bulletin, "bring canned goods to church every Sunday."

The members of this church realize that though it's wonderful to be generous during holiday season, hunger is year round. More importantly "hunger never gets a summer vacation." The Northeast Emergency Distribution Services is particularly sensitive to children's food insecurity that can increase as early as May when low-income children no longer receive free and reduced meals at school. Not only is the demand greater but consequently without schools in session, with clubs and teams available to do canned food drives, food pantries notice that intake and monetary donations drop.

According to William Lambers author of "Ending World Hunger," more than 50 million Americans suffer from hunger. He notes that food banks are over stretched and cut-backs from government assistance can be disastrous. This includes the recent reduction in food stamps. The American Federation of Teachers notes that as few as "one in seven low-income children receive food assistance" during the summer. Of those few students who do receive assistance it is due, in fact, to their enrollment in a summer program that provides free and reduced meals (AFT News 7/1/13).

The American Federation of Teachers requests that its members be aware of summer hunger by suggesting they work

with their communities to be sure students return in fall "well-nourished and ready to learn" (AFT News 7/1/13). But it's not only teachers that can help, you and your neighbors can also help - remember: "hunger never gets a summer vacation."

In the Sycamore community it's the NEEDS food pantry that serves to help our neighbors who face family food shortages summer, fall, winter and spring. Have you considered organizing a food drive in your neighborhood? Having a block party - why not place a barrel on your street for neighbors to drop a can or two for NEEDS? Consider making a request of your summer swim club or camp to organize drives and if your church hosts a festival consider asking them to place a container to collect for NEEDS.

It is the mission of the Northeast Emergency Distribution Service (NEEDS) to provide emergency assistance to the neediest families in the Northeast Cincinnati community.

In addition to canned goods and non-perishables, community members can also support NEEDS monetarily by sending checks to: NEEDS, 8341 Kenwood Road, Cincinnati, Ohio 45236. Truly, during the summer when you are fortunate to share good times with your neighbors, please consider your neighbors who are in need with a donation to NEEDS.

NEEDS is a community of 25 churches and civic organizations whose mission is to do God's work through caring for their neighbors by providing basic emergency assistance.