

ANNUITY SCAM!

JANUARY 2003

We have noticed a startling amount of malfeasance in regards to the use of variable annuities. More and more investors who we have helped over the past year have had variable annuities inside their IRA accounts. Investors were being sold a product while their **“advisor”** was reaping a hefty commission and they were being sold a load of bull!

What we discovered was that investors were not being told that it is absolutely useless to hold a variable annuity in an IRA since variable annuities are tax-deferred investment products, as are IRAs.

American Express Financial Advisors were fined \$350,000 this past month by the NASD because of this practice. Amex of course neither admitted nor denied its actions, but we know they have been doing this for years. Beware; they are not the only one. Variable annuities are not for everyone and play a limited role in most financial plans. If you feel that you may have been taken advantage of do not hesitate to contact us immediately. The bottom line is that if your planner is trying to sell you a variable annuity, it is more than likely he or she gets a much higher fee than selling other products.