

Chris Hladick

Commissioner

P.O. Box 110800
Juneau, AK 99811-0800

www.commerce.alaska.gov



Press Release

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Contact: Kevin Anselm
Director, Division of Banking & Securities
(907) 269-4157
kevin.anselm@alaska.gov

The Division of Banking and Securities Cautions Fraud Victims About Third-Party Asset Recovery Firms *Firms may offer fraud victims little more than false hope*

December 11, 2015 ANCHORAGE—The Division of Banking and Securities issued an [advisory](#) warning victims of investment fraud to use caution when approached by companies promising to help them recover money or bring the perpetrator to justice – for a fee.

“Typically, the targeted investors have lost thousands of dollars, perhaps their entire life’s savings, to fraudulent investment schemes,” said Kevin Anselm, director of the Division of Banking and Securities. “These asset recovery firms give investors false hope that they will recover lost funds. In reality, the investment scheme is often so old that the company is either defunct or bankrupt, and recovery is very unlikely,”

Many third-party asset recovery companies are not law firms, although they may advertise that they can provide legal assistance. Asset recovery firms typically approach fraud victims through an unsolicited telephone call or email promising to recoup lost investment funds for an upfront fee. Once hired, the firm may send demand letters to the perpetrators of the initial investment scheme and file a boilerplate complaint with state and federal regulators on behalf of the defrauded investor. Often, the information contained in the complaints relate to companies that are no longer in business, have filed for bankruptcy, or have already been subjected to previous regulatory action. Sometimes the complaints are based upon information that is too old for legal action.

The advisory includes information to help investors understand how third-party asset recovery firms operate and areas to consider if approached by such a firm, including: fees; how the investigation will be conducted; what legal services are provided; coordination with securities regulators; and discussion of recovery. Investors are encouraged to contact the division at 907-269-8140 or send an email to dbsc@alaska.gov if they have questions.

The Division of Banking and Securities, along with the Division of Corporations, Business and Professional Licensing, the Division of Insurance, the Alcoholic Beverage Control Board, and the Regulatory Commission of Alaska, is an agency housed within the Alaska State Department of Commerce, Community and Economic Development tasked with protecting consumers in Alaska. For additional information about the division, please visit commerce.alaska.gov/web/DBS. For additional information about the Department of Commerce, Community and Economic Development and its other agencies, please visit commerce.alaska.gov.

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