Mike Stohler

What if you could be doing something smarter with your money that creates income. Now, if you're wanting to get ahead financially, and enjoy greater freedom of choice, if you want a comfortable retirement, and you know you'll have more choices, if you can do more with your money. Now, if you've wondered who else is creating ways to make their money work for them, and you want actionable ideas, with honest pros and cons, and Bill flow. Welcome to the richer geek podcast. We're here helping people find creative ways to build wealth and financial freedom. I'm Mike Stoller, and in this podcast, you'll hear from others who are already doing these things, and learn how you can too.

Welcome back to the richer geek podcast today. Welcome David Meyer. He's the managing principal of Meyer Wilson and national law firm (Security Fraud Law Firm) that he founded to represent investment fraud victims and their fight against deceptive brokers. Meyer Wilson is one of the nation's leading investment fraud firms recovering millions of dollars for clients throughout the last 20 years. He's currently the president of two Bar Association's named one of the best lawyers in America and he's been also named twice lawyer of the Year by publication in this practice, area and location. Now, what is a securities investment fraud attorney, stockbrokers and financial advisors have a duty to recommend investments that are appropriate and beneficial for you based on your specific circumstances. Unfortunately, that doesn't always happen. A lot of times they act on for their own benefit. And some of the things they do or unauthorized trading, excessive fees, churning Ponzi schemes and more. So we're going to talk to Meyer about what we can do and how we can fight back. We'll also be discussing his number one Amazon bestseller, the investor protector.

All right. Welcome back, ladies and gentlemen, to another episode of the richer geek. I'm proud to have David Meyer on he's a principal at Meyer Wilson, one of the leading investment fraud firms. How are you doing, David?

David Meyer

Great, Michael, good to be here.

Michael Stohler

Yeah, I'm excited to have you on it's a little bit different. A lot of our listeners are wanting to invest or they do invest. And as so many people do, they pick a financial advisor or they pick a syndicator. They pick an investor; they pick a and a person or a firm to place funds with. And there's not a lot of vetting, there's not a lot of it's just kind of like yeah, you know, you sound good, you look good. Here's some money. So that's really why I wanted to bring you once to enlighten our listeners a little bit about why they should be fearful for fraud and what and why so prevalent. So tell me a little bit about who you are, where you came from?

David Meyer

Sure. Again, my name is David Meyer, I appreciate you having me. And the book is called the investor protector. Stories of triumph over financial advisors who lie, cheat and steal. I came up with that book because I'm a lawyer who chases bad financial advisors who lie, cheat and steal. And the book took me probably 18 months to write, but it's 25 years in the making. It includes stories of my clients who have over the past 20 years have triumphed over unbelievable deceit by their trusted advisors, and overcome unthinkable loss. And this is I'm the guy that's here trying to get less business I actually, by writing this book, I hope that fewer lawyers will need to hire a lawyer like me, because by the time someone's hired to my law firm for help in their investment loss case, they've already suffered the devastating financial loss.

My day job is to fight against the advisor and the brokerage firm to recover the money loss at the hands of a bad bad broker. And it's rewarding to fix my problems. But it would be even better if I could stop this fraud before it happens. So by writing this, my goal is to prevent the devastating financial loss before it happens before it happens. So what I'm telling folks retirement Savers, investing in individual investors if you read this book, and follow the basic steps, I outlined the chance that you'll ever need an investment fraud lawyer Like mine will go will go down dramatically. The book, it's it's body armor for retirement savers. But it's not a handbook. It's not a reference guide, because I think those are boring. I think that we learn best from experience sharing, rather than a lecture. So what I've done, I've taken some stories, these are right out of my file cabinets, right about our computers, that's happened over the past 20 years. And they're, I mean, they're unbelievable stories.

Now, most of them have happy endings, and in the sense that we're able to recover money, but my hope is, is that the book will draw in readers that want to read interesting stories, but then the readers will learn a lesson sort of by accident, right? They will know what to look out for, because they've read a story of somebody who have suffered a loss and had a fight to recover. So the first part of the book is what to do before you hire a broker. But there's a lot of information out in the world about do this, don't do this, do that. And it's so much information coming to us, I didn't see it in a book put together by someone who's actually been in the trenches for 25 years, fighting an investment fraud. So with the advice I give in the steps, and then the stories, I hope it's a compelling read, that will really help people, so they'll never need a lawyer like me.

Mike Stohler

And it's not just people that have, you know, the big cases, you know, like the Bernie and and the ones you hear about on the on the radio shows, you hear on TV, that it's not just the people that have invested hundreds of millions, but it's also for the person that's invested 10 or 20, or 50,000, right?

David Meyer

Yeah, Mike, most of my clients have worked their entire lives, you know, 20, 30, 40, 50 years, and saved, you know, a considerable sum, whether it's a couple $100,000, or a million or a few million dollars, you know, very few of my clients have had 100 $100 million, right? These are folks who have worked their entire lives. And for most of them, their investment experience is nothing outside of whatever their company sponsored retirement plan is. So by the time they're 60, or 70, they've amassed a significant amount of money for them over the course of their life, what are they doing, they've got basically a check, whether it's 200 300 500,000, a million or two, and then they got to say, look, I need help, I need somebody to help me because I don't have an interest in this, I don't have expertise in this, I don't have the skill set in this, I need help. Because I've gone, I've had my company sponsored plan, really all I do is tick some boxes and switch them allocations occasionally.

But what do I know about selecting, you know, allocation of funds or diversification? And what types of investments? And then how do I, you know, manage that with with growing it, but also keeping it safe. So I have it the rest of my life, and what I do about, you know, my kids and charities. So it makes sense for many of us to reach out and try to seek out a professional advisor. But But you know, where do you go? How do you find that person. most investors don't even understand the difference between brokers and investment advisors, or the standard of care that are doing to them under the different regulatory structures, because I believe that the process is opaque intentionally, the industry makes it complicated. I mean, there's a huge difference between a stockbroker and an investment advisor. They're regulated differently, they have different standards of care, if you have a claim against them, the process to recover that claim is different. Most people don't know that. And that's really the first step How can you decide how can you make a good solid decision about where to trust your life savings, if you don't even know that differences? And so I put that together in a book with a couple charts, to step through each step of the process. So people can take this book before they even make the call to a prospective advisor and be much more better prepared.

Mike Stohler

Yeah, you know, it's it's really good, you know, we've had some people come on and speak, and the difference between the financial advisors and fiduciaries and why you should trust one or the other, what are the pros and cons and the others, you know, and what we're talking about when we're talking with you in fraud, it's a little bit more than a guy just saying, steering you towards something that he gets Commission's on, you know, so give me an example of, you know, I'm looking at financial advisor say, hey, I want to buy this, and he was out No, no, no, you want to go here? Because, you know, because he gets front end and back end. And, and, and those things or making trades without your knowledge. So yeah, I mean, you know, those are some of the simple things, but what are we talking about when we're talking about what can happen to people?

David Meyer

So it's a great question, Michael, but it goes anywhere from simple negligence, forgetfulness, unauthorized trading, you know, or excessive trading, or variable annuity sales that may be inappropriate, you know, all the way to theft Ponzi schemes. So it really is the whole bandwidth of of things that could go wrong. And it really starts. I mean, it's important to understand the difference between a registered representative and investment advisor but that's not the most important Because ever, whether you have an investment advisor or a registered representative, they all have duties. And whether that standard is here, here, here, what matters is is that you invest with somebody that's least likely to steal your money. Or if there's a problem be more likely than not to be able to recover. Here's what I'm talking about. So there are major financial firms and without saying names, we all know the household names that have their names on buildings and advertisements everywhere.

And those are the large firms in my recommendation, I've represented over 1000 investors, I've recovered 10s of millions of dollars for my clients, I've seen it all right, and and so the tips in this book and that we're going to talk about if you follow these things, even if you don't know every difference between a fiduciary a registered representative and best interests and and all the standards that seem to change every time there's a different administration in the White House, that is secondary to the fact that make sure your advisor is licensed, right, make sure that person holds the license, we're going to talk about where to go, you can do that, from your living room, in your pajamas in 10 seconds, 10 minutes or less.

And even that one step, if everyone would look up their financial advisor before and trusted with their life savings, the amount of cases in my office would go down by 50%. mean how crazy is that? Right. And then once you do that, making sure you work with a reputable firm, most Ponzi schemes you read about are people that are that con people in investing with them when they're not even licensed, they don't have any certifications, any licenses, or if they did, or they got kicked out of the industry. And we're going to talk about how to look into that. But if you make sure your advisor is licensed, you make sure they work for a reputable firm, because you need to assume and that's unfortunate though, this is the world we live in, you got to assume worst case scenario. So if you go to ABC massive brokerage firm, right, and you meet, Charlie, Charlie seems like a nice person, you get some recommendations, you've done some research, he doesn't have any past prior complaints, and you invest your million dollars with Charlie at huge, you know, ABC brokerage firm, well, he boats the next day with your money and runs off across the world, and you no longer can find them, at least you have big massive ABC brokerage firm there.

And then you would hire a lawyer like me, we go through the process, we get a judgment and they're there to pay it because there are a large firm that has the wherewithal to pay it. Unfortunately, there are tiny firms, there are 1000s of them, or at least hundreds of them that are properly license allowed to conduct business are entrusted with millions of dollars of individual investors money, but they don't have the financial wherewithal to satisfy a judgment. So my word of wisdom is go with someone who's not only licensed as a clean regulatory record. But also as with a large firm, a large firm that you've heard about, and you know about it, make sure they're actually affiliated with them at the time that you invest with them. Because if they were fired six months ago, and then you invested with them, that's going to be more challenging. But there are so many names of brokerage firms that are super tiny, that no one's ever heard of, that you can get in trouble with because if you're a broker bolts, and it's a tiny firm, and we turned down unfortunately cases every week, where it's a great case, on liability, there's a lot of significant losses, the investor didn't do anything wrong, it's completely the fault of the bad broker who lied, cheated or stole their money. But the firm is out of business or tiny and can't pay it.

And I'm sure a lot of your listeners are saying we don't have insurance. But most people don't know this, there is zero requirement in the United States for financial advisors to have insurance. So that means there's no guarantee that they're, they're going to be insured. And even if they are insured, a lot of the things that they do, they're going to result in you losing money are excluded from the policy anyway. Right? So if they engage in XYZ, even if they have insurance, that policy might exclude it, for example, a lot of fraud is going to be excluded. So if you go to an advisor and you say Dave Meyer and Michael, they told me go look for insurance, and I asked for insurance, they gave me this certificate that showed I have insurance. Well, they're not going to give you all the exclusions. Um, so you know, the insurance isn't isn't going to do it so many, many cases that make their way to my office where people that have lost entire life savings, those cases wouldn't happen. If they check their advisor make sure they're clean and they're with a large firm.

And the way that the way to do this, it's called broker check. COMM you literally could do it on the on your living room couch in your pajamas. And it's sponsored by FINRA, which is the securities regulators. Along with the state regulators. They maintain a database of every financial advisor in the country. And you type in the name, your location, and it'll show you the firm with which they're affiliated. And if the person that you're either currently investing with or considering investing with is not in there, do not invest with them ever, under no circumstances. You cannot. You cannot sell investments or investment advice if you're not properly registered with either FINRA or the SEC and broker check com is the first place to go and what that does, you'll pauper, record it. Everyone should do it for their broker, their advisor, like the light right now, while they're listening to show, they can pull up the screen and they can do it right now, they pull up the name, the adviser, they're gonna see their employment history, they're gonna see if there's any regulatory complaints if they've been fined or barred. Again, any customer complaints, this process isn't perfect, there are ways where brokers Can, can clean up or erase records, I'm actually fighting very hard with the securities exchange commission lobbying them to change that rule to make that less less of an option for brokers to clean, bad complaints from the record, but it's better than nothing. And by the way, and some credit here to the industry.

The regulator's because I'm aware of no other profession that does this. You can't look at lawyers and see online from your room and your employer, when a hire has ever been sued, or ever had complaints. None of that is readily available. You can't do that for doctors, as far as I know. Now, it makes sense that it's for financial advisors, because they're the one that trusted with our life savings. But it would be it's just amazing, that it's a it's a tool, it's out there, it's totally free, you could check 10 brokers a day forever, and there's no cost. But again, it's not perfect, you need to understand that there is important information that sometime is missing. But if any customer has ever filed a complaint over $5,000, against a broker or an advisor or broker, it should be in that deal. And you would see it and I will tell you 90% or more of brokers have less than two complaints. So if you pull up a broker, I'm going to tell you a story that that shows us. But if your broker has five complaints on there, there's absolutely no reason you should work with that advisor. I've got a case if you want to hear it. If you're an example of a situation where this was back in the early 2000s. I was just getting started actually, in this business. And I represented a group of about 80 folks who retired from a large company, a warehouse in the Midwestern town. And they were they had worked there 20 years, they got an early retirement. So each of them got a lump sum of three, four or five $600,000 very unsophisticated folks in terms of investment, and there was a broker in town who knew what was happening. So he was having free lunches, free dinners. You know, the one thing about free lunch, it's never free, right? There's always a cost. So he put on all these dog and pony shows, got all these people to come. He put them all in high tech, they lost about 80% of their portfolio over the course of three months.

And these are folks who are retired and lost 80% of the money. So we took the case filed it and FINRA arbitration, and we got a settlement, put all that money back in their new IRAs. But there were about 80 complaints on this guy's record and he didn't get fired. The brokerage firm didn't fire him. Why didn't they fire him? Well, my guess is because he was still generating enough revenue to justify him being there. But check this out. This is where it gets even crazier. So if you pulled up this gentleman's record, you would see 75 complaints on his CRD on broker check. This broker left that firm went to a new firm, a tiny firm, one of the ones that I recommend not going with. And then he started getting engaging in a Ponzi scheme. And a lot of his clients and new clients join him at the new firm, and ended up getting caught in this Ponzi scheme, the guy ended up going to jail. And I took some of those cases do so I sue the broker when he was at the first firm. And then when he moved, it was engaged in the Ponzi scheme, I did it again. And I collected on one bid and then the firm went out of business. Now, at any of those people typed in that gentleman's name, before investing with him, it's firm to they would have seen the longest CRD report I've ever seen something like I don't know, 50 pages. And so again, that information is out there, people just need to be told and reminded to go use it.

Mike Stohler

Now, in that first example. What was the the fraud because I did not know it's like he, he put their money in high tech.

David Meyer

So that's a lot so. So right, you can't sue a broker just if your portfolio declines in value, though you can, what you can expect. And what you must expect of your advisor is for your advisor to recommend and implement an investment portfolio that's appropriate for you, given your investment experience, your age, your risk tolerance, your goals, and if you're 65 years old, and you have $400,000 to your name and you need that to last for the rest of your life, then you need that money to be it reasonable amount of growth and also safety. So there needs to be a diversified portfolio well diversified amongst the asset classes. So you can achieve some modest growth because you do need it to grow a little bit. But there also needs to be an allocation of cash or you know, in case the market goes down, so that portfolio that goes down 10, 15 20% fine, but if it goes down 80% that means likely it was it was not appropriately allocated and diversified for somebody in that situation. Now, if you're 35 years old, and you, you know, you have 30 or 40 years to go to work, and you understand that you're willing to be growth or an investor, and you're willing to accept significant market declines, that's different. But for retirees on a fixed income, with little investment experience, and zero and very little risk tolerance, it's not appropriate to put 80 90% or portfolio in a aggressive in that point tech investment portfolio.

Mike Stohler

That makes sense. Now, let's talk about something that's the age of the investors getting, you know, you're talking about 65 years old. Well, how about more, there's more and more fraud, it seems like on the elderly, elder fraud, I think is what they call it or something like that. Right? You know, they may not have a computer, they can't look up, you know, what are some of the things a lot of our listeners have aging parents? What are some of the things you can tell them to say, Hey, you know, tell your parents? Or

David Meyer

it's a great question. Yeah. So financial exploitation of the elderly, is the number one problem in our environment. Right now. We're all the our population is aging, there's a significant accumulation of wealth. And it's really the perfect storm, because that's where the money is, right? So the scammers and the cheaters are going to target where the money is the same reason why bank robbers, rob banks, because that's where the money is, they're not going to try to cheat a 25 year old, don't have any money, they're gonna cheat the 65 78 year old, and also that those folks that that target, they're easy targets, right, because they likely living alone, they might be suffering some cognitive decline. They, they're, again, they're lonely, and they are very private. So if something does happen, these fraudsters know that something does happen, it's less likely that they're going to get on the internet or do something, because they're going to be embarrassed, they're going to be afraid to tell anybody. So those are the people that need help of their adult parents, or their adult children rather, so I mean, I get a copy of my mother's statement sent to me, you know, as a copy, you know, on the account, so go on, you can get there with with the approval might need a power of attorney depending on situation and get a copy. So I see everything that goes to my mother, you know, who's, who's 80 years old, I get a copy of that. And, and also go through their statements, you know, see, see what's going on actually have an understanding what's going on. Because they are the number one targets, they're alone, they're suffering cognitive decline, they're embarrassed, if anything happens, they want to appear to be maybe more independent than they are. But the biggest problem we see is, is the is fraud on the elderly, and it's typically the adult children who are watching out looking for red flags, and being there and also doing their broker, check comm for their parents,

Mike Stohler

There you go,

David Meyer

you got to step in, to make sure that they've got someone looking out for him.

Mike Stohler

Now, here's another thing, it's very popular now that the internet and you know, crowd sharing crowdfunding and, and all these different things is the SEC, you know, reg DS, you know, all these private placements. That is extremely popular now, because it seems like anybody can draw up some paperwork Avenue and then do some type of a private placement, what are some of the ways that we can protect ourselves from fraud,

David Meyer

I believe that 95% of the retirement savers in this world don't need to have anything to do with private placements. They're risky by nature. And even if you qualify as an accredited investor, that that definition hasn't changed in 40 years. I'm president of a national bar association called piaba. The public investors advocate Bar Association, we're actually a worldwide Bar Association of lawyers that represent individual investors. And in my capacity, as the President, I'm actually lobbying the SEC to revise and adopt either some changes to that accredited investor, because it hasn't changed in 40 years, the number hasn't gone up, and inflation and I'm seeing retirees that have, you know, you know, maybe a million dollars, whatever that whatever they base criterias are 65 years old, they've got a million dollars plus their home, and they're being pitched this stuff, that is gonna be risky, and there's just no need to achieve that incremental return increase with the accompanying risk. I just had a case I just just tried it. Last month, I guess an investment advisor. I had a retired widow 75 years old, she had about 1,000,005 from friends. She's 75 years old, which is plenty of money like she just needed to protect that money. She didn't need the million five to go to a million 1,000,009 or $2 million and her broker sold her a million dollars of private placement, what to get 8% 9%. And then she lost it all. And I won the case, but I'm not likely to recover because the investment advisor is a tiny little firm. So private placements can be appropriate for sophisticated investors who have a long time to recoup any losses.

But all these private placements, alternative investments, even these variable insurance products, there's just so many things out there that don't need to be in 95% of our portfolios. I know, it sounds like you're gonna be missing out, most of us at that point of our lives, we've saved the money, we're gonna say, we need reasonable growth, and we need safety. That's it. That's it. For the billionaires out there. And the tech giants, they can get all that they can do all this private place. But you know what, and and I never want to talk to them, they have a problem by losing their money. They're not gonna call me because I'll tell them, Look, you took the risk. You're sophisticated, you understood the rest. You were well suited. And you had the risk tolerance, and you have the ability to make up the money. That's what that that's who that's for it is not for retirement Savers, in my opinion.

Mike Stohler

Yeah. And all of our listeners out there that do their own syndications you should look at Don't be greedy, just get anybody's money. Just because their credit. And just because you're able to, you know, pay attention what David David says it's, if you're still working, you're an executive, and you want to diversify. Go ahead.

David Meyer

And here's a piece of advice for those folks. And that business disclosure does not equal suitability. You know, I'm not a big tattoo guy, but I have one, but I don't know that I'm gonna get any more. But I would get that tattooed on my arm. I don't have muscular arms, like you, maybe I would. But it's disclosure does not equal suitability. Let me tell you what that means. So in this case, I just had 75 year old widow retiree, the private placement, there's forums that everyone has, and it's forums that says I understand the risk, I understand that I can lose all my money, I understand that I have a speculative investment objective, just because that's signed, doesn't mean it's right. And any but because particularly these days, where things are getting signed by DocuSign, and on your cell phone, back in the day, I mean, I don't know how old you are, you look younger than me. But back in the day advisor would actually sit down with their clients with paper, and the end, the client would write down. This is my experience trading stocks, investing in stocks, I have this out of these five investment objectives. This is my investment objective. Now they're all computerized, they're all prefilled out, and they come with a checkbox that you do with your phone. So and that doesn't cut it. You can't say, Hey, I'm good. I'm never gonna be worried about David Meyer suing me, because I got my client to check the boxes, it's nonsense. I care what actually happened, I care what the investment objective actually is not what somebody convinced my client to sign. So no one should have a false sense of security, or insecurity, in my opinion, that having clients sign these forms means that it's, it's appropriate, because it's what actually is going on, not with just the form, say,

Mike Stohler

and so your agreement that any type of asset allocation should be monitored heavily.

David Meyer

Why think depending on you, I think if you're a professional advisor, and you're charging an annual fee, and you've told your client look, hire me, I'm the expert, I'm well trained, I'm supervised, I have access to all the information you're retired, go just like the ad, say, go be with your grandkids on the beach, I got this, I will take care of this. This is what you're paying me for in that situation, which is most of the situations Right, right. And that situation, the job is to allocate, recommend and allocate portfolio and do the job, you've promised your client you're gonna do and earn the fee, you're gonna earn. Now, that's what most people tell their clients. But then when I go in and lawsuit, what they tell me on the stand is I am just an order taker. Whoa, all I did was buy the stock. But that's not these aren't. These aren't self-directed accounts of fidelity. These are trusted people that I mean, the industry spends a tremendous amount of money building the trust of their advisors and their companies, they want people to build to have that trust with their advisors and and give the money to them, and let them do their job. So when you do it, that they first can't be surprised that people actually trusted them with life savings, which is what all these ads have promoted them to do all these years.

Mike Stohler

So what you're seeing is the financial advisor can have the responsibility, you know, or should have the responsibility to monitor and you're saying that if they don't, there is some action that can be taken. They're expected to

David Meyer

Yes, if they've accepted the risk responsibility to recommend an implement a portfolio and monitor it on a regular basis if they fail to do what they promised to do, yes, they can be held responsible. It's really just a negligence standard. What's the standard of care? What did they promise what what a well trained, well supervised professional, properly, you know, stat trained advisor do and you compare that to what actually happened?

Mike Stohler

Wonderful. Yeah, that, you know, it's good. You know, I've had a really good conversation with you, I've really appreciated it. Your book, once it coming out? Where can they find it?

David Meyer

So it's out now it's called the investor protector, and it's on, it's on Amazon, Amazon, get electronic copy hardback soft back. And I think that, you know, if you spend a couple hours to read it, just the chance that you are loved one, when we become a victim of investment fraud, the chances that you'll ever need a lawyer like me, will go down significantly if you follow the steps in the book. And I hopefully the stories are compelling and interesting, and that readers or listeners will will learn something sort of, by accident, maybe about what to watch out for.

Mike Stohler

There we go. And how can our listeners find you?

David Meyer

Yep. So my law, my law firm, Meyer Wilson is on the internet investor claims calm. I've got a website with a tremendous amount of educational information, videos, articles, blogs, and then of course, our contact information. So investor claims calm,

Mike Stohler

and it is National, you're able to represent

David Meyer

Yes, yep. So when you sign up with your brokerage firm, on the back end, Page Six and word you don't read, you give up your right to go to a jury trial. And you agree that any claim you'll pursue will be done through mandatory arbitration. And that's a national process. So because we're arbitration lawyers, we can do it across the country.

Mike Stohler

Well, yeah, that's something I learned right there. I did not know that. And again, everyone, the book is called stories of triumph over financial advisors whose lie, cheat and still who knew that they did that any of that stuff? No, I'm just kidding. Well, I appreciate the time, David, and we've learned a lot. wonderful things.

David Meyer

Thanks, Mike. Appreciate your time.

Mike Sothler

Thanks for tuning in to the Richard geek Podcast, where we're helping others find creative ways to build wealth, and financial freedom. For today's show notes, including all the links and resources from our show, and more information about our guests, visit us at www. v. Richard king.com slash podcast. And don't forget to jump over to Apple podcasts, Google Play Stitcher, or wherever you get your podcasts and hit the subscribe button. share with others who can benefit from listening and leave a rating and review to get the podcast in front of your eyes. I appreciate you and thanks for listening.