



**Jesse White**  
SECRETARY OF STATE

**NEWS**

**ILLINOIS SECRETARY OF STATE**

**FOR IMMEDIATE RELEASE**

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**White Warns Elderly Investors About Investing In  
Long-Term "Callable" Certificates Of Deposit**

**SPRINGFIELD** —Secretary of State Jesse White is warning elderly investors to watch out for stockbrokers who are selling higher yielding "callable" certificates of deposit with 10- to 20-year maturities.

With stock market volatility on the rise and investors looking for safe places to invest their money, White warns that the elderly could be an easy target. White's securities department regulates the sale of securities, including these "callable" CDs.

White issued the warning after his securities department recently received complaints from elderly investors who were sold callable CDs by their brokers. It was not explained to these senior citizens that should they want to sell their callable CDs before the maturity date, their long-term callable CDs would have to be sold on the secondary market at a potential loss. Some of the investors are in their 70s, and one investor is an 80-year-old woman, who was sold a callable CD that matures when she reaches the age of 98.

"Not all CDs are created equal, so investors need to ask questions and understand exactly what they're buying," cautioned White. "This type of CD often yields more than traditional bank-issued CDs, but they come with strings attached. If someone promises you an above-market return, be skeptical and ask lots of questions."

Federally insured certificates of deposit, sold either by banks or brokers, have long served as a safe harbor for investors worried about stock market volatility. Rising interest

rates and the falling stock market have made CDs more attractive, especially to older investors. Many investors don't realize - and some stockbrokers apparently aren't adequately disclosing - that with "callable" CDs only the issuer, and not the investor, can "call" or redeem the CD. Investors who want their money before a "callable" CD matures risk a substantial loss.

White's securities department urges investors to learn the CD's maturity date, where the money will be deposited, the penalties for early withdrawal or costs associated with selling before maturity, and whether the interest rate is fixed or variable. Investors who have questions about callable CDs or want to verify that the broker selling the CD is properly registered, should contact the Secretary of State Securities Department at 800-628-7937.