

## **Member Firm Case Study: Textbook Exploitation – Family Member**

Studies have revealed that the vast majority of senior financial exploitation (67% – 90%) is perpetrated by family members or caregivers. The below is a textbook example of such exploitation that was identified and addressed by a Member Firm's investor protection efforts.

Arthur Digby Sellers (age 86) owned several trust accounts; including one with Treehorn Financial Inc., and another with Branded Securities. He was also co-owner of a joint account with his son, Larry Sellers which was held at Branded. Arthur was enjoying his retirement and entrusted Larry to handle his financial affairs. Unbeknownst to Arthur, however, Larry had other intentions for his father's assets. Over the course of a year, Larry wrote checks from Arthur's trust account at Treehorn Financial (and forging Arthur's signature) to Arthur's trust account at Branded Securities (to the tune of 675k). Once the cash was deposited with Branded Securities, Larry would then make internal transfers from Arthur's trust account to the joint account owned by both of them.

Larry was an avid bowler, and got himself into massive gambling debt through his betting on PBA tournaments. Because of this, Larry began to move large amounts of cash out of the joint account with his father, to his personal checking account, as well as writing checks to a known bookmaker, Uli Kunkel (to the tune of \$660k over the year).

Branded Securities' AML department was alerted to these fund movements as part of normal surveillance and alert systems. Due to Arthur's age and the seemingly inappropriate nature of the transactions, a case was referred to the Senior Oversight group at Branded. From there, a call-out to Arthur uncovered he was completely unaware of these fund movements. As such, restrictions were immediately placed on all of Arthur's accounts at Branded and a report was filed with the local APS office in Arthur's home-state.

Restrictions remain on Arthur's account at Branded Securities, and APS will not provide an update regarding the status of their review. Under the terms of Branded's Client Agreement, restrictions may be placed on accounts when there is a reasonable suspicion of fraud or diminished capacity, and may remain on the account for a time sufficient to allow for review and satisfactory resolution.