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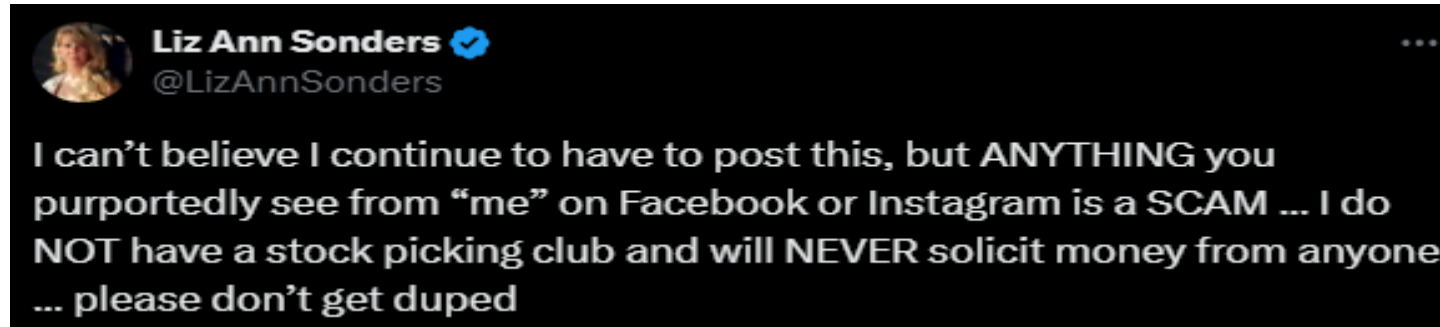
NEVADA
SECRETARY *of* STATE

Securities Division

Submitted at Meeting
Item 5 Date: 4/3/2025
By Edward Srok

Managing Director and Chief Investment Strategist

Prominent Financial Services Company





Edward Srok Jr

Chief Compliance Audit Investigator

Securities Division

Las Vegas since 1997

35+ years in Banking/Finance

Certified Financial Crimes Investigator

(International Association of Financial Crimes
Investigators)

Certified Fraud Examiner

(Association of Certified Fraud Examiners)





**Nevada consumers
lost more than
\$138M to fraud in
2024, FTC says**





What is the securities division?

Registration and Licensing

- Broker-Dealers, Investment Advisers, Sales Representatives, Representatives of Investment Advisers, and Securities Offerings
- Athlete Agents

Compliance Inspections & Investigations

- NRS 90.410 – Power to Inspect
- NRS 90.620 – Authority to conduct investigations & issue subpoenas

Criminal Investigations

Investor Education

Nevada Secretary Of State Securities Division

The Securities Division CAN:

Investigate complaints against individuals, corporations, and other business entities for violations of registration, licensing, or anti-fraud provisions of Nevada securities and/or commodities law.

Initiate administrative and/or civil actions to stop these violations and/or to impose civil penalties.

Investigate complaints of criminal violations of Nevada securities and/or commodities law and refer cases for criminal prosecution to the Nevada Attorney General.





The Securities Division CANNOT:

Guarantee that your investment money will be repaid to you.

Give legal or investment advice.

Investment scams



Ponzi and Pyramid Schemes



Pig Butchering Scam



Pump and Dump Schemes

Advance Fee Fraud



Cryptocurrency Scams



Affinity Fraud

\$65 BILLION.

Promised up to a 77% Annualized Return
Ponzi Scheme lasted approximately 17 Years
As of September 2022, only about \$4 billion had
been returned to 40,000 victims.



Affinity Fraud

- Prey upon members of identifiable groups, such as religious or ethnic communities, the elderly, or professional groups.



NEW PONZI SCHEME ALMOST EVERY DAY

Las Vegas Business Owner Sentenced to Prison for \$5 million Ponzi Scheme

Sports-betting investment company owner ran \$8.5 million Ponzi scheme that ripped off investors

LAS VEGAS (KTNV) — A Las Vegas man has been sentenced for defrauding several victims out of nearly \$300,000.



Pig Butchering Scams

- Unsolicited phone calls
- Text messages
- e-mails
- Dating apps
- Social media platforms



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OK






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Exit group

OK

  Join our WhatsApp internal information sharing group for free to get help and achieve profitability.   

10:06 AM

~**Katya Johns**

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<https://chat.whatsapp.com/DIMi9jE3z-MOG56hrrURvid>



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Exit group

OK

- Ms. earned a BA from Harvard University, an MBA from The Wharton School, and a JD from the University of Pennsylvania Law School.
- Endeavor, where she oversaw deal flow and due diligence of venture-backed companies across 30 global markets.
- Senior Consultant at Capco, advising top-tier banks, wealth and asset management firms, hedge funds, and FinTech clients on their growth, market, and technology strategies.
- Associate at Reverence Capital



Investment Fraud: Commodity Investments

Metals

Cryptocurrency



Crypto scams stole \$10 billion from Americans last year, mostly from older people

- People in the U.S. reported losing **\$10 billion** to cryptocurrency scams in 2024.
- People **60 years old** and older filed much more claims than any other age group.



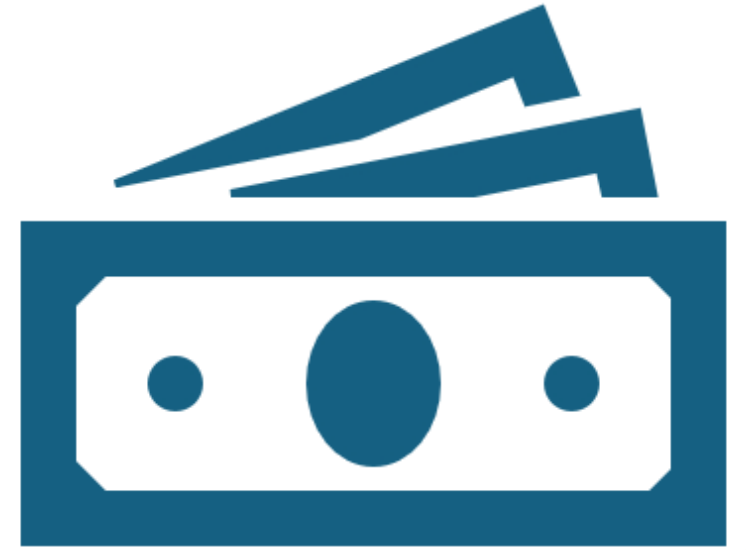
Precious Metals

- Elderly Victim invested money after hearing commercials about a gold company. He said website had good reviews.
- Elderly Victim took **\$200,000** out of his principal 401K and put it into this supposedly gold IRA.



30 States Charge Los Angeles Precious Metals Dealers in Ongoing \$185 Million Fraud Targeting the Elderly

- Two individuals set up company selling precious metals
- Fraudulent scheme targeting elderly persons nationwide
- Overpriced gold and silver bullion.
- **\$140 million** in retirement savings—from at least 1,600 elderly people.
- In the end, nearly every customer lost the vast majority of their funds deposited with the defendants.



Wired \$40,000.00 from retirement IRA to establish Gold IRA.

- Spread: Range between 2% to 35%.
- Company helped you set up self-directed IRA with 3rd party.
- In order to make a profit customer's precious metals must appreciate enough to cover spread and costs.
- \$13,600.00 Loss minute gold purchased.

You have 24 hours following issuance of this invoice to cancel your purchase without penalty for any reason. The spread is thirty four percent 34% on this transaction. If you wish to cancel this



DO YOUR
HOMEWORK

**Contacted out of
the blue**

**Attractive Profile
Photo**

Now, now now!

It is a Sure Thing!

**Physical
Business
Location**

Physical Home

**Fake contact
information**

Zero Risk

**Do they Tout a
"Learned
Source?"**

Video them up

**Profesional
Credentials**

**Extraordinary
Returns**

**Unrealistic
"Group"**



Investment Professionals - Sales Practices

Firms or individuals who sell securities or provide investment advice are required to be registered with the state before they can legally offer their services.

Registered securities professionals must adhere to ethical practices in the performance of their duties on behalf of their customers.



Do you think you're
a victim of
investment fraud?



File a complaint
with our office.



www.nv.sos.gov



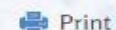
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- + [Investor Information](#)
- [Investor Alerts](#)
- [Frequently Asked Questions](#)

Securities

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PLEASE NOTE: The Securities Division Office has moved to a new location:

1 State of Nevada Way 3rd Floor Las Vegas, NV 89119

The goals of the Securities Division of the Office of the Secretary of State are to ensure the integrity of the securities marketplace through investigative actions as well as the registration and oversight of securities, securities brokers and dealers, investment advisors and their representatives; to enhance legitimate capital formation; and to minimize the burden and expense of regulatory compliance by legitimate businesses.

The Division reviews prospective offerings of securities to ascertain that full and fair disclosure is made to potential investors and that the terms of offerings are not inherently fraudulent.

The Division monitors the conduct of securities dealers and salespersons to ensure compliance with applicable state and federal laws; investigates possible violations; and, when the evidence warrants, initiates administrative or civil actions, or refers cases for criminal prosecution.

The Division is staffed with numerous investigators and other professionals who serve to protect Nevada investors.

Do you think you're a victim of investment fraud?

File a complaint with our office.

- [File a Complaint- Online](#)
- [File a Complaint- PDF Version](#)
- Free investor education materials may be picked up from the Las Vegas Office of the Secretary of State (see below) or click on the PDF ([InvestorGuide-Nevada_Interactive22](#)) for the Nevada Investor Guide: Strategies for Investing Wisely and Avoiding Financial Fraud.

- + Securities Information
- + Registration of Securities
- + Regulations & Enforcement
- Investor Information

Is My Investment Professional Licensed?

For Your Information

Recognizing Investment Fraud

Securities Related Websites


Investor Threats

Investor Alerts

Frequently Asked Questions

SECURITIES » Investor Information »

Is My Investment Professional Licensed?

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Check Before You Invest

Individuals and companies are required to be licensed in the State of Nevada if they conduct securities business in or from the state. Ensuring your securities professional is licensed is a critical step to protecting yourself and your investments. Licensees are subject to regulation by various agencies and their disciplinary records are public information; however, verifying a license can be difficult because the individual or company may be licensed in different capacities or may be in one of several databases.

The Securities Division is available to discuss your securities professional, their business or investment opportunity, and any publically-available information about the professional. For assistance, please contact the Securities Division at (702) 486-2440.

Otherwise, you may use the tools below to determine if the individual or company is licensed.

For Broker-Dealers and their Agents (or Registered Sales Representatives), use FINRA's BrokerCheck by clicking on the icon below:



For Investment Advisers and their Representatives, use the SEC's Investment Adviser Public Disclosure website by clicking on the icon below:





BOTTOM LINE



- EDUCATION and KNOWLEDGE are the keys to good investing!
- If an investment sounds too good to be true, **IT PROBABLY IS!**

