



California Corporate & Securities Law

Senior-Specific Specifications Can Spell Trouble Under the CSL

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Recently, the Securities and Exchange Commission [announced](#) that it had charged an investment adviser in Colorado with fraudulently recommending hedge funds to older investors.

In California, we have a statute, Corporations Code Section 25234.5, that specifically prohibits broker-dealers and investment advisers, or their respective agents or representatives, from using a senior specific professional designation in the offer or sale of securities or in providing securities advice, that implies the securities firm or professional has special certification or training in advising or servicing senior citizens or retirees, in such a way as to mislead any person. The statute was enacted in 2008 but took effect on July 1, 2009.

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