



# 'Asset Recovery' Companies

## CONSUMER ADVISORY

### Be careful before hiring companies that promise to recover lost investments for an up-front fee.

“Asset recovery” companies contact consumers, tell them they’ve been victimized by investment fraud and promise to recover their money – for a payment of thousands of dollars up-front. In reality, the services they provide often don’t go much beyond what consumers can do themselves for free, such as filing a complaint with the DBO or other regulatory or law enforcement agencies. The DBO strongly urges consumers to exercise caution before engaging these firms. **Too often they take consumers’ money, fail to deliver on their promises and walk away.**

**If you believe you’ve been victimized by an “asset recovery” company, contact a local law enforcement agency or the state Attorney General’s Office.**

#### Questions to consider before hiring an ‘asset recovery’ company:

- ***Do I risk losing more money for the possibility of recovering my initial investment?*** Asset recovery companies cannot honestly guarantee you they will recover your initial investment. Commonly, the company will receive your up-front payment, file a complaint with a regulatory agency and/or send a demand letter to the alleged fraudster on your behalf, fail to recover any lost funds and then become unreachable. All consumers end up with is the added expense of paying the asset recovery firm. Be sure to ask the company about its refund policy and for evidence of its performance record.
- ***Are there actions I can take independently, without the assistance of an asset recovery company?*** Yes. California consumers can file a complaint with the DBO if they believe they are a victim of investment fraud. Filing a complaint costs the consumer nothing.
- ***Should I pay an asset recovery company before being provided a service?*** The DBO strongly recommends consumers not pay a firm until it provides the promised service. Consumers also should thoroughly read the fine print of any service contract before providing payment, and ask specific questions about the services that will be provided.
- ***Is this company licensed?*** Typically, these companies are not licensed by the state. That means the DBO won’t be able to help you if the firm does not provide the promised results. If an asset recovery company offers legal services, ask for the names and license numbers of the attorneys who work at the firm, and verify their licensure.

**If you believe you are a victim of investment fraud, contact the DBO and file a complaint immediately.**

[www.dbo.ca.gov/1-866-275-2677](http://www.dbo.ca.gov/1-866-275-2677)