

FOR IMMEDIATE RELEASE

Paladin Registry says Madoff Ponzi Scheme is the Tip of the Iceberg

SACRAMENTO, CA., January 12, 2009 – Paladin Registry (<http://www.paladinregistry.com>), an online service that screens and rates financial planners and financial advisors for investors, has issued a warning that the Madoff Ponzi Scheme is the tip of the iceberg.

Jack Waymire, co-founder of Paladin Registry and author of the highly acclaimed book "Who's Watching Your Money?" (ISBN 0471476994, John Wiley & Sons, 2003), said: "Madoff Securities was relatively unique when it operated an illegal Ponzi Scam to defraud investors. Even though \$50 billion of losses is a big, big number, it is peanuts compared to the losses investors experience every year from other legal schemes."

Waymire went on to say "There are three sources of bad financial advice: crooks like Madoff, unethical advisors, and incompetent advisors. Fortunately, Madoff scams are relatively rare, but the other two sources of bad advice are far more destructive. That's because there are hundreds of thousands of unethical and incompetent advisors who sell investment products and services."

Unethical advice is subtle and it occurs when advisors put their need to make money ahead of their clients' need to achieve financial goals. For example, advisors sell bad products because they make more money. Or, they sell mutual funds with hot track records on the basis the products will produce the same results in the future – they won't.

Incompetent advice is equally subtle when investors experience reduced returns in Bull markets and excessive losses in Bear markets. For example, some relatively conservative investors lost 50% of their assets in 2008. They lost more than they should have because their assets were exposed to excessive amounts of risk. The biggest impact of bad advice is the underachievement of important financial goals such as secure retirements.

Unethical or incompetent advice may not produce as many headlines as illegal scams, but they cause a lot more damage that can go undetected for years.

About Paladin Registry

Founded in 2003, Paladin is an information services company that provides free public services to investors who use the services of Certified Financial Planners, financial advisors, money managers, fee-only financial advisors, CPAs, attorneys, and insurance professionals. Paladin websites help consumers and investors find experts in their communities and evaluate them before they select them. You can learn more about Paladin services by going to <http://www.findanexpert.com> or <http://www.paladinregistry.com>.

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