

Chapter 4.

Invisible Investments

By invisible investments, I mean earning a safe and steady 10 to 12 percent interest on your money without this information being available to private investigators or anyone else other than the IRS and—if there is an income tax in your state—the state tax authorities. What I have to say in this chapter is based upon my own experiences over the past 35 years. It involves both options and secured short-term loans. It does not include the stock market, and here's one reason why:

What about an anonymous account for stocks, bonds, or mutual funds?

Rather than answer this myself, I put the above question to a New York stockbroker friend. Here is the answer in his own words:

I am (as you know) a stockbroker. I have been so for 45 years. I am with a major Wall Street firm. Since the events of 9/11, things have changed. To open any account, I am now required to obtain your Social Security number. This number must be verified. If it doesn't match our data base, the account will be terminated.

It does not matter if it is an individual account or a corporate account or an LLC account with a tax ID number. I still need to know the owner of the entity and his Social Security number. I will also need a copy of his driver's license, his home telephone number, and his true address.

We will not accept PO boxes in lieu of a home address. When we are given a street address we will Google it or Zillow it for location verification. If the street address is for a business account, we will Google it to verify it is a actual building with offices, which is very easy to do. (We recently closed a seven-figure account because his address turned out to be a Mail Box Etc. location.)

We will not give people who lie to us a second chance. The industry is under too much scrutiny by the NASD, SEC, and State Attorney General offices.