

Protecting Your Money from Investment Fraud

Be aware of the red flags.

The first step in protecting your money from investment fraud is to assume a buyer beware attitude. The following points are designed to help you do exactly that. For the latest investment fraud information, visit our website at www.albertasecurities.com.

WARNING SIGNS OF INVESTMENT FRAUD

- You're guaranteed high returns, no risk, or both. There is no such investment.
- Promises that an investment will trade on a stock exchange. You need more than promises.
- A prospectus or offering memorandum never appears.
- Back-dated purchase orders.
- Transactions are made on your behalf, without your consent.
- Transactions for which you have no record.
- Requests to pre-sign blank forms.
- Secretive behaviour.
- Requests for your silence.
- Don't be intimidated by a salesperson.
- Never assume a salesperson is an "expert."
- Always take the time to get a second opinion.
- Never accept a verbal agreement – get it in writing.
- NEVER sign any document before reading it carefully.
- If you don't understand a document, see a lawyer.
- Take your time to make decisions. Don't allow anyone to rush you.
- Don't be drawn in by appearances – Scam artists know the importance of first impressions.

HOW TO PROTECT YOUR MONEY

- Remember it's your money. Smooth, convincing, wise talk is no replacement for fact-based answers in writing.
- Don't be afraid to ASK QUESTIONS.
- Make sure your questions are answered to your satisfaction.
- Take notes during conversations with salespeople.
- Beware of high-pressure sales tactics.

IF YOU HAVE A COMPLAINT . . .

- Contact your adviser to discuss the matter.
- Contact your adviser's supervisor, compliance officer, or manager.
- Contact the Alberta Securities Commission at 1.877.355.4488.

CHECKING OUT A POTENTIAL INVESTMENT

If you are thinking about making an investment, take some time to Check First. Make sure you make an informed decision as there are all sorts of ways you could get scammed.

Visit the For Investors section on www.albertasecurities.com to help you navigate through the following checklist:

- ✓ **Check available resources**
Find out about courses and free reading material on investing.
- ✓ **Check your risk tolerance**
Assess your comfort and tolerance with risk.
- ✓ **Check common red flags**
Learn to recognize warning signs.
- ✓ **Check the background of the company or person you might deal with**
Access helpful information on registration and enforcement.
- ✓ **Check if your investment might be a scam**
Learn to evaluate an opportunity and protect your money.

Visit our website at www.albertasecurities.com and you'll find a range of timely, practical and non-promotional information, including more factsheets on the basics of investing, top investing mistakes, choosing an adviser and our parent/teacher resources for helping young people learn about money management and investing wisely.

SOURCES

For further information or assistance:

Alberta Securities Commission(ASC):
www.albertasecurities.com

Heads Up Fraud Prevention Association:
www.heads-up.ca

Crimes of Persuasion:
www.crimes-of-persuasion.com

National Association of Securities Dealers – Regulation:
www.nasdr.com

WORTHY WORDS

How to Become a Professional Con Artist

Marlock, Dennis. Paladin Press. 2001
ISBN# 1581602693

Crimes of Persuasion: Schemes, Scams, Frauds

Henderson, Les. Coyote Ridge Publishing. 2000
ISBN# 0968713300

You Can't Cheat an Honest Man

Walsh, James. Silver Lake Publishing. 1998
ISBN# 1-56343-169-6