

Investment Fraud Checklist

By John F. Smith

- Questions to Ask
 - Do you understand how the investment works?
 - Is the person contacting you about the investment a stranger?
 - Are you dealing with a registered adviser?
 - Can you verify the investment with a credible source?
 - Is the seller reluctant to provide written information on the investment?
 - If you are promised a guaranteed return, is the guarantee given by a reputable financial institution?
 - Have you been guaranteed high investment returns with little or no risk?
 - Is your money guaranteed to be there when you need it?
 - Have you been offered 'insider information'?
 - Is information on the investment found only on the Internet?
 - Does the investment sound too good to be true?
 - Is the investment opportunity based on facts?
 - Are you promised a high return on a low-risk investment?
 - Do you have enough time to make a decision?
 - Is the risk you are taking reasonable for the expected return?
- Tips
 - If you don't understand the investment, don't invest.
 - If you receive an unsolicited investment opportunity, get a second opinion.
 - Never feel pressured into buying an investment on the spot.
 - Take your time making investment decisions.
 - Ask for proof of the guarantee in writing.
 - Make sure you understand and can afford the amount of risk you're taking on.
 - Beware of the sources of 'hot tips' or 'insider news'.
 - Never sign documents you have not read carefully.