

# 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.