

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.