INVESTOR RIGHTS & PROTECTION

INVESTMENT FRAUD & OTHER CONCERNS: Top 10 Takeaways

1. Investment fraud is when you pay for an investment that is not real, or is not what the seller said it was, or is sold by someone who is not allowed or registered to sell investments in Nova Scotia.

2. Investment fraud can happen to any investor of any age or with any level of investment experience or knowledge.

3. To learn if an investment is legitimate, your first step is to check whether the person trying to sell it is registered with the Nova Scotia Securities Commission.

4. Fraudsters have many different schemes, and they are always coming up with new and creative ways to scam you.

5. Examples of common investment fraud schemes are affinity fraud, pump and dump, boiler room, and Ponzi schemes.

6. There are warning signs that an investment is not legitimate. These include offers of high returns with no risk, or investments with little information to back them up. Someone who pressures you to act quickly or tells you to keep the information secret is likely trying to scam you.

7. People who are registered with the Nova Scotia Securities Commission to sell investments can also commit fraud. To protect yourself, never pay your advisor/registrant directly; money should go only to their investment firm. And always check to make sure that they bought what they said they would buy or sold what they said they would sell.

8. An advisor/registrant can take advantage of you in ways that are not fraud or against the rules, but which still cause you to lose money. You can help make sure this does not happen to you. Always get satisfactory answers to your questions. Carefully review all documents and pay attention your investment returns and fees.

9. If you are offered an investment by someone who is not registered, or if you suspect investment fraud or advisor wrongdoing, contact the Nova Scotia Securities Commission immediately. They will help you.

10. If you have been a victim of investment fraud, do not be ashamed or keep it a secret. Report it to help yourself and to protect other people.