



## ***Risky Habits of Investment Fraud Victims (and How to Avoid Them)***

by

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[www.ofi.la.gov/SecuritiesInvestorEd.htm](http://www.ofi.la.gov/SecuritiesInvestorEd.htm)

### **1. Very open to listening to sales pitches, including:**

- ✓ Reading materials received in the mail that you never requested
- ✓ Attending FREE MEAL seminars (victims of fraud were 3 times more likely to have attended these)
- ✓ Responding to “customer surveys”

Learn to recognize and resist sales techniques, such as *IF ONLY*, *Friends for Sale*, *Who’s the Source*, *Safety in Numbers*, *Scratch My Back* and *Sold Out*. The more sales pitches you hear, the greater the chance you will encounter a con artist. It would be smart to *limit* the sales pitches to which you are willing to listen.

### **2. Too polite to cut off a sales pitch, or just hang up**

Interrupt and offer to call back shortly, noting the Caller’s name, company and phone number. When you call back, ask for the caller’s CRD Number and legal name and only basic information on the investment opportunity. Cut off the sales pitch by offering to call back after you’ve spoken with your (*financial advisor, broker, spouse*). NOTE: If the professional *doesn’t* have a CRD Number, contact OFI to make sure it’s for a *legitimate* reason or to register a complaint if you suspect a scam. If the person has a CRD Number, always contact OFI to request a FREE *CRD Report* -- and read it before calling back.

### **3. Too trusting, forgetting that people can lie about their experience, certifications, or the investment**

Always verify with OFI before you invest by requesting a *CRD Report*. Take steps to research the investment thoroughly; don’t take *anyone’s* word for it that it’s a good investment. Resist jumping into an investment too quickly due to sales pressure. Don’t invest until you have read the person’s *CRD Report* and have fully researched the product you are considering buying.

### **4. Don’t question financial “authorities”**

Use the *Investor Checklist* form on OFI’s website to research the product, investment professional and company before you invest. If you *don’t* understand the investment, *don’t* invest in it.

*These suggestions do not include every possible course of action possible to protect investments from securities fraud. These are only some key points of a one-hour seminar on the topic.*