

**New York State Attorney General
Letitia James**

Dear New Yorkers,
Before you invest —
INVESTIGATE!



That's the best advice anyone can give you on the steps you should take to keep your money safe — investigate the brokerage firm and the investment product itself.

My office can help. The Investor Protection Bureau protects the public from fraud by requiring brokers, dealers, securities salespersons and investment advisers to register with the Attorney General's Office. We are also empowered by the state Martin Act to investigate and prosecute allegations of investment fraud.

Before you invest your hard earned money, remember to check with us to be sure the product, salesperson and firm are registered. Remember, there are no guarantees in the investment world, and you are the one bearing the risk.

Sincerely,

A handwritten signature in black ink that reads "Letitia James".

Letitia James



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Albany, New York 12224
1-800-771-7755
www.ag.ny.gov

RESOURCES

**Office of the New York State
Attorney General
Investor Protection Bureau
212-416-8222**

ag.ny.gov/investor-protection/investors

- Registration status of brokers, dealers, securities salespersons and investment advisers
- Tips for becoming an informed investor
- Report suspected investment fraud

Smart Seniors

ag.ny.gov/smart-seniors

Alerts on scams targeted at older adults and tips on being a smart consumer.

**Financial Industry Regulatory Authority
FINRA**

800-289-9999

brokercheck.finra.org

Provides information about brokers' and advisers' employment and disciplinary history.

**Securities and Exchange Commission
SEC**

investor.gov

adviserinfo.sec.gov

Provides information about investing and investment advisers.

**North American Securities
Administrators Assn.**

NASAA

nasaa.org

Provides information about securities regulators in other states and jurisdictions.

Before You Invest
INVESTIGATE

Investor Self-Defense Tips



NEW YORK STATE OFFICE

of the

ATTORNEY GENERAL

Investor Protection Bureau

Know Your Investment

Check registrations.

Look into the backgrounds of potential brokers and advisers — even those you may know through family or social relationships — prior to entering into financial relationships with them.

Make sure your brokers, dealers, securities salespersons, and investment advisers are registered. Lack of registration is a red flag for potential investment fraud.

Note: See “Resources” on the back of this brochure for information about how to check for licenses and registration of brokers and advisors.

Make sure you clearly understand the investment.

If an investment is too complicated to understand, it is the wrong investment for you. Beware of an advisor who promises to “take care of it for you.” Don’t be afraid to ask questions: if the salesperson does not want to give you information, it is because they are hiding something.

Get it in writing.

Demand a copy of all of the information about the investment, including the risks, obligations, and costs associated with the investment. Costs may include commissions, sales charges, maintenance or service charges, transaction fees, and redemption fees or penalties.

It is also a good idea to put your investing instructions in writing to avoid any misunderstandings.

Don’t put all your eggs in one basket.

The key is to diversify and divide your investments in order to limit potential losses.

Avoid Scams

Be wary of “You Must Act Now!”

Walk away from sales pitches that claim, “Tomorrow will be too late” or “You must act now.” A salesperson who won’t give you time to look into and consider the salesperson, firm, and investment opportunity itself, may be trying to hide something.

Be wary of “guaranteed” returns.

Investing involves risk, and big potential returns usually involve big risks. Think twice about any investments that are supposedly “no-risk” or “guaranteed,” particularly if they promise big returns.

Safeguard your personal information.

Never give your personal financial information to someone you don’t know or who contacts you. Some investment scams are also attempts to steal your identity. Private information, including Social Security number, date of birth, and account numbers can all be used to wipe out your accounts.

Avoid wiring money to strangers.

Once money is wired, it may be impossible to get back. Never wire funds to someone you don’t know.

Don’t be a courtesy victim.

Con artists gladly take advantage of well-mannered people with fear they are being “rude” by hanging up or saying “no” to their sales pitches. Regard strangers, either on the phone or at your door, with caution. It is not

impolite to simply say, “Sorry, not interested.” It’s better to maybe lose an opportunity, than to make a hasty commitment and lose everything.

Don’t feel indebted to someone who gives you “unsolicited” financial advice. A person giving unasked for advice may be trying to gain your trust so he/she can get their hands on your money.

Get another opinion.

Ask your attorney, stockbroker, accountant, or other reliable consultant about the investment first. Even discussing the opportunity with friends and family first can prove to be beneficial. A warning to keep the investment confidential is a red flag for fraud.

Report fraud.

If you feel that you have been a victim of investment fraud, report it. Resources for reporting fraud are on the “Resources” page on the back of this brochure.

Working with a Financial Planner?

Make sure your plan is in writing. At the very least, you should receive:

- ✓ A clearly written individualized financial plan;
- ✓ A clear description of the risks associated with your financial plan;
- ✓ A detailed explanation of the fees that you will be charged;
- ✓ A detailed explanation of the assumptions underlying the plan;
- ✓ A specific schedule for monitoring your financial plan;
- ✓ Any additional advice and investment choices available to you.