

INVESTOR EDUCATION: PONZI SCHEMES

 Here are some
RED FLAGS
to watch out for 

- The investment is an exclusive deal for “only” a select group of people.
- Information on the investment product and the business is poorly written and often times contains spelling and/or grammatical errors.
- Explanations of how the business runs and how money is made is vague or overly complicated.
- The investment is promoted as having no risk or downside.
- You are pressured to sign the documents now and get the information later.
- You are promised high or unrealistic returns in a short period of time.
- The person selling the investment is not registered with the DCCA – Securities Compliance Branch.

PONZI SCHEMES

TIPS ON HOW TO PROTECT YOURSELF

- Beware of promises of unrealistic returns.
- Diversify – everything.
- Verify the details of the investment. Beware of vague or overly complicated explanations.
- Understand your investments. Don't rely on reputation or word of mouth alone.
- Check the registration and background of the individual selling the investment by contacting the DCCA – Securities Compliance Branch at 586-2722.
- Find out who the auditor of the fund and/or company is and make sure they are reputable. Auditors are liable for any inaccuracies in the financial statements of companies and investment funds.
- Report investment fraud by contacting the DCCA – Securities Enforcement Branch at 586-2740.



To report investment fraud, call (808) 587-2267 or Toll Free 1-877-447-2267

Protecting Hawaii Investors



1-877-HI SCAMS



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HI Securities

