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