

HOW TO SPOT A CON ARTIST



Department
of Commerce

Division of Securities

SPOTTING A CON - RULES TO LIVE BY

Investing can be risky enough without worrying about whether your salesperson is out to fleece you or whether you are dealing with an experienced scam artist. You need to know the danger signs to look for. Some are subtle, and some are easier to spot. Always watch for red flags and the signs of a scam.

Rule 1: Con Artists do not like to be found.

They look like you and me. They join local groups and organizations and use these friendly and charitable relationships to spread the word about their questionable investments and reel in unsuspecting investors.

Rule 2: Con Artists dress for success.

They want you to think they are just like you, and this means dressing "for the part." They work very hard to come across as professional, competent and successful. They have nice clothes, nice offices and good addresses.

Rule 3: Con Artists often push poorly understood financial products.

Con artists appeal to the dreamer in you! Today, a variety of banks and brokerage houses have financial planners who offer a wide range of financial products. These products need to be registered with the Division of Securities in order to be sold to Ohioans. Never give anyone complete control of your finances just because you do not believe you are sophisticated enough to understand.

Rule 4: Con Artists bring out the worst in you.

Skilled con artists can bring out your worst traits, particularly greed, fear and insecurity. Con artists try to make investors feel inadequate if you don't believe them. Don't make investment related decisions based only on your emotions, watch out!

Rule 5: Con Artists are fair weather friends.

You will be pressured into an investment, that you are told is a "sure thing." Before you invest, con artists are very friendly. They take a personal interest in you out of the blue.

Rule 6: For Every Silver Lining, There is a Cloud.

Every investment has its risks. The con artist will explain away the risks and make you think that their idea is a "sure thing." Watch out for talk of a "hot tip" from an "inside source," a "rumor," a "guarantee," "got to buy now or miss the once in a life time chance," and many more promises. If it sounds too good to be true, it probably is.

**If you think you have been a victim of
Securities Fraud telephone or write to the
Ohio Department of Commerce, Division of Securities.**

Call the Division at 1-800-788-1194

or visit our website at

www.com.ohio.gov/secu

for a complaint form.