

TOP THREATS

to Missouri Investors in 2012



- 1 Online pitches:** The continued expansion of online social networking and new Federal laws that affect regulatory oversight will lead to a flurry of Internet sales pitches. Online investment opportunities offered by companies with no operating history may have limited or no disclosures, and scam artists are constantly seeking out new ways to access victims.
- 2 Unlicensed salesmen:** Concerns about questionable recommendations and unfulfilled promises from salesmen who are not licensed to sell securities are among the top investor complaints received by the Securities Division. Too often salesmen licensed to sell other products also pitch investment opportunities. Investors should always check out the investment and the person offering it before turning over their hard-earned money.
- 3 Risky startups:** Investors must be wary of promoters pushing a new business idea without financial statements, a thorough business plan, owner background or other traditional documentation to support an investment in a startup business. New business investments, whether involving alternative energy, real estate, new technology, animal sciences or a host of other concepts, are inherently risky, and all promises of returns, guarantees and collateral must be thoroughly vetted and reviewed.
- 4 Brokers with special programs:** Despite a recent market rebound, some are warning investors to exit traditional investments and instead invest with a broker who is offering a special or limited opportunity. The Securities Division has brought numerous enforcement actions in the past months concerning salesmen who were operating Ponzi Schemes right under the nose of their otherwise credible brokerage firm.
- 5 Commodities and Futures:** Investors are being flooded with promises or guarantees of returns in gold, oil/gas futures and other commodities. No investment is guaranteed and all markets vary, and fraudsters have identified commodities markets as fertile grounds for growing their scams.

To learn more, call the Investor Protection Hotline

(800) 721-7996

or visit MissouriInvestorProtection.gov

HOW CAN YOU PROTECT YOUR SAVINGS?

In recent years, we've helped Missourians recover more than **\$2 billion in savings** and cracked down on scams, bad investment advice and financial fraud. These simple steps can help protect your savings.

Call to Check

Every time you consider a new investment or a new broker, or if you have concerns that your money is being mishandled, call the Investor Protection Hotline at 1-800-721-7996. It just takes a minute, and it's the best way to protect your savings.

Get It on Paper

Make sure you receive complete documents that explain all the fees, costs and charges before you invest. Tell anyone offering you an investment that you want a prospectus and, if real estate is involved, proof of ownership.

Understand Your Goals

Before deciding on an investment, determine when you may need to access your money, how much risk you can handle, and what taxes and fees you will have to pay. Then, make sure that your financial advisor understands your goals.

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Office of the Secretary of State
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