InvestRight

Presented by the BC Securities Commission





TOPICS

- 1. Introduction to the BCSC
- 2. Results from Investor Studies
- 3. Red-Flags
- 4. How to protect yourself
- 5. Victims' video



- Government agency—funded by industry, not tax dollars
- We do three things
 - 1. Set the rules for securities trading
 - 2. Ensure compliance & take enforcement action when necessary
 - 3. Educate investors and industry



We cannot:

- Put criminals in jail
- Approve investments
- Insure investments
- Give investment or legal advice
- Undo a transaction





What we can do:

- Ban from trading
- Impose monetary penalties
- Force pay back of illegal profits
- Disciplined persons list
- Issue Red Alert



Teaches high school students basic financial literacy skills:

- BCSC program for Grade 10: The City: Financial Life Skills for Planning 10 www.bcsc.bc.ca
- The City on-line resource in English and French www.themoneybelt.gc.ca

Investor Education



Educate Investors:

- Pre- retirees
- Retirees
- Religious communities



Investor Indexes 2006-2009

- 85% believe it is important to build their personal savings and investments
- 35% do not have any savings or investments at all
- 60% worry they do not have enough savings for retirement



Canadian Investors' Behaviour

 80% agree that it is their responsibility to acquire the skills they need to make sound investment decisions

but only

- 32% sought information about investing
- 25% have formal plan
- BC'ers more aggressive investment style





Investment Fraud

- 4% Canadians victim of fraud
- 48% BC'ers approached for fraudulent investment
- 10% higher than national average



Chinese & South Asian Canadians

- More likely to make own decisions
- Chinese Canadian investors choose advisors on trust
- South Asian Canadian investors more aggressive





Investment Fraud

- Less internet & telemarketing, more personal contact
- Higher level of trust
- Greater the risk, the greater the reward
- Miss a good opportunity



Key Partners:

- God's Fraud Squad
- Mennonite Brethren Churches
- Better Business Bureau

Outreach Programs:

- RCMP
- Credit Unions





Guaranteed High Return – No Risk

- High Yield = High Risk
- The over-used word GUARANTEED







Insider Tips – Get in Now

- Illegal to act on insider information
- Get individual to act quickly
- Learn to say NO





Offshore Tax Free Investment

- No investment allows you to avoid taxes
- What does offshore mean?
 - Money leaves country it's gone





Profit Like the Experts

- Prey on your distrust of gov't & big banks
- Must keep it a secret
- Will isolate you
- Builds trust or affinity with victim







Great Opportunity Friends Can't Be Wrong

- Gains trust of key people in your community
- Points to others as sign of success
- Often uses your money to pay other investors





Levels of Risk

- Diversify to reduce risk
- Less Risk: Government Bonds, T-Bills, Money Market Funds
- Medium Risk: Blue Chip, dividend producing stocks
- High Risk: Venture Companies, Derivatives





■ Home
■ Know yourself
■ Know your advisor
■ Know your investment
■ Avoid scams

■ Get Ready to Retire ■ Report scams & complaints ■ Programs ■ Subscribe ■ O & A

Now on InvestRight

Protect your money

Free online tool helps you:

- Understand investment fraud tactics
- Recognize the signs of fraud
- Know what to do if fraud finds you

Launch tool now

Scams in the news

- Alleged scam and partial ponzi scheme under investigation 🗗 The New Brunswick Telegraph Journal October 1, 2009
- Lender pleads guilty to theft, faces at least 10 years in prison 🗗 The San Luis Obispo County Tribune October 1, 2009
- Forsyth man accused of Ponzi scam that swindled local residents out of millions 🖵 Herald & Review October 1, 2009

Invest wisely

- Work with your advisor
- Protect your money
- Learn investing basics
- Do background checks
- Understand private companies
- Report suspected scams

Investment products

- Mutual funds
- Principal protected notes
- FOREX
- More...

Feedback

What do you think of the InvestRight site?





Protect Yourself

Tools that can help

- Advisor registration
- 🕦 Disciplined persons list 🖵
- Cease trade orders
- Investment caution list
- Investor alerts & watches
- SpamWatch

Stay Informed

- Research: Canadians still not putting investing knowledge into practice, national study reveals October 5, 2009
- Investor Alert: Manitoba Securities Commission and BC Securities Commission uncover 're-victimization' scheme September 24, 2009
- Investor Watch: Inverse and leveraged. July 17, 2009





INVESTRIGHT

Know your advisor

<u>designations</u> <u>choose a professional</u> <u>portfolio watch</u> <u>annual check-up</u>

home / know your advisor

Guide to Investing: How to work with your investment advisor

With the Guide to Investing you'll learn:

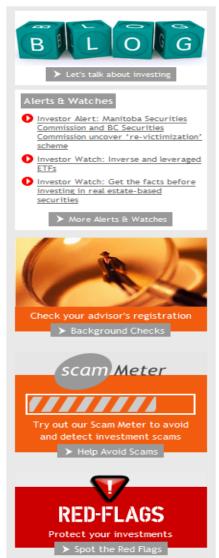
- How to choose an investment advisor
- Why it's important to deal with a registered advisor
- · How to choose investments with your advisor
- How to keep track of your portfolio with your advisor
- · What questions to ask your investment advisor

Plus, it includes worksheets to help you apply what you learn.

The Guide to Investing: How to work with your Investment Advisor is an e-book with links to take you directly to the information you want.



Get your copy now!





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Protect your money

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 ETFs

 July 17, 2009



Private Companies

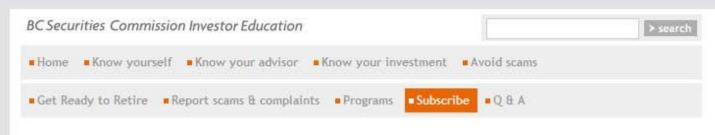
- No prospectus, limited continuous disclosure
- Can sell shares directly to investors
- Resale restrictions
- Offer securities under OM
- Understand your investment



Visit InvestRight.org

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Contact the BCSC

604 899-6854 or

1 800 373-6393

inquiries@bcsc.bc.ca

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