

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

The BC Securities Commission

- 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

The BC Securities Commission

We cannot:

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



The BC Securities Commission

What we can do:

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

The BC Securities Commission

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



The BC Securities Commission

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

The BC Securities Commission

Key Partners:

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

Outreach Programs:

- RCMP
- Credit Unions

Red-Flag #1



Guaranteed High Return – No Risk

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

Red-Flag #2



Insider Tips – Get in Now

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

Red-Flag #3



Offshore Tax Free Investment

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

Red-Flag #4



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

Red-Flag #5



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
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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

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Protect Yourself

Tools that can help

- ▶ [Advisor registration](#)
- ▶ [Disciplined persons list](#)
- ▶ [Cease trade orders](#)
- ▶ [Investment caution list](#)
- ▶ [Investor alerts & watches](#)
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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 ETFs](#) July 17, 2009



RED-FLAGS

Protect your investments

[Spot the Red Flags](#)

Know your advisor

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Guide to Investing: How to work with your investment advisor

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- Why it's important to deal with a registered advisor
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- What questions to ask your investment advisor

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

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Alerts & Watches

- 1 [Investor Alert: Manitoba Securities Commission and BC Securities Commission uncover 're-victimization' scheme](#)
- 1 [Investor Watch: Inverse and leveraged ETFs](#)
- 1 [Investor Watch: Get the facts before investing in real estate-based securities](#)

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RED-FLAGS

Protect your investments

[Spot the Red Flags](#)

Private Companies

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

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- Do background checks
- Report a scam

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www.investright.org

