

COMMON INVESTMENT SCAMS



Four common scams:



Affinity fraud

The fraudster joins a group or organization and uses your group's identity to gain your trust. Once accepted, they convince members to invest in their scheme.



"Exempt" securities

The fraudster may pitch that the investment is only available to very wealthy people and an exemption is made for you. Be suspicious if you get an unsolicited phone call about a hot tip on a business that is about to "go public". On their own, exempt securities are not scams. Exempt securities may be sold without a prospectus, but they're limited to accredited investors or certain other conditions.



Forex

The fraudster promises low risk and high returns on the foreign exchange market. Unregulated firms may be marketing their services outside of the rules. Your money may not be invested as you were told. The forex market is dominated by large international banks with access to sophisticated technology, highly trained staff and large trading accounts.



Ponzi/pyramid

The fraudster offers you a chance to get rich quick on a so-called great investment. Early investors are simply paid from more recent investors' money. Later, the fraudster disappears with all the money.

Have you ever been approached about or been a victim of any scams like these?

Contact the Ontario Securities Commission at **1-877-785-1555** or your local police.

Learn more at [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca)

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