

SCAM ALERTS

Invitations to Free Lunch Investment Seminars or any invitation to learn all about investments

These are reported to be the most toxic luncheons ever attended. The presentations are not educational, just a sales pitch to have you turn your money over to a broker who will generate commissions for him/her self. According to securities regulators, these types of luncheon pitches are rampant across America. Annual returns of 12% - 15% and higher just do not happen. The Average Annual Return for the last 20 years was just over 6%. For the last 10 years it has been a minus 3%.

These free luncheons too often deal in fantasy, not fact.

Phishing

Any email, website or other communication that asks for personal information, sensitive identifications like passwords, your social security number, bank or brokerage account locations and/or numbers.

Your Money Upfront

Communications offering great deals that seem too good to be true. (And they of course are not true!) Just send them a check and you will receive a much larger payment from a foreign government (Nigeria has been used in the past), or information that will make you at least a millionaire. Or "The check is written and ready to go to you. Just send us the small fee first".

Lovely friendly emails from strangers.

These are often attempts to start a relationship with you that has only one purpose...getting some of your money. Put that email into Spam!

Getting a great investment idea from a message board.

Small 'nothing' companies that trade over-the-counter pay people to post glowing remarks on bulletin boards.

PortfolioStrategy

Brokerage Statements.

Your monthly brokerage statement should come from a well recognized brokerage firm. A brokerage statement issued by an Investment Advisory Firm is not acceptable. Investors have lost billions, yes billions, in frauds by accepting brokerage statements issued by 'private' advisors.

Look carefully at every monthly brokerage statement you receive!

- See what fees or other charges are being deducted. Make sure you understand them. Any withdrawals you did not authorize?
- See, monthly, how much your portfolio increased/decreased. Get explanations of big changes.
- Is there a lot of buying and selling? (That would mean purchases in a 3 month period that totaled as much or more than the value of your entire account.) This indicates your account is being 'churned' and that always turns out badly for the investor. (But it is good for the broker because that is how he gets more commissions.)