

**FOR IMMEDIATE RELEASE****Don't believe everything you read and hear -- CSA urges investors to research investment opportunities advertised in the media**

October 17, 2006 – Toronto - The Canadian Securities Administrators (CSA) are urging the public to investigate further when they encounter an investment opportunity advertised in the media.

“Regardless of the source, investors should protect themselves by researching investment opportunities before committing their money,” says Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). “Investors should not assume an opportunity is authentic simply based on where it appears or how it is presented.”

Of main concern are paid advertisements placed by those who may not be properly registered to trade in securities. As well, certain ads may provide misleading information to the public regarding potential investments. These may appear across various types of media, including newspapers, magazines, television, radio, newsletters and the Internet.

In many cases, investments described in the advertisements may look or sound authentic, but unless investors verify the information first with an objective source, such as their provincial or territorial securities regulator, they could risk committing their money to a misleading or illegitimate opportunity. While no investment is without risk, investors can research opportunities to lessen the risk of falling victim to a scam. Once money changes hands, it's often difficult or impossible for investors to get their money back.

The Canada Revenue Agency (CRA) is also warning investors to be wary of paid ads that promote tax-saving incentives, especially those leading into RRSP season and tax time.

“Beware of charities that promise to provide an income tax receipt for more than you donated - legitimate charities issue receipts for the exact amount donated,” said CRA Commissioner Michel Dorais. “The CRA regularly audits to identify schemes that are set up to purposely avoid paying taxes. The CRA is also working with revenue agencies at an international level to combat tax evasion schemes.”

Some things investors should watch out for:

- **Promises of high-return, low-risk investment opportunities.** Ads may promote quick and above-average growth and “guaranteed security”. Refer to current bank rates. Above-average growth involving little risk on your part should ALWAYS be questioned.

- **Liberal use of financial jargon.** Sometimes, ads use sophisticated language to convince investors that the people behind the opportunity are professional, knowledgeable and experienced. Anyone can use financial lingo to sound convincing, so don't take it at face value.
- **Free seminars and workshops.** In addition to promoting free registration, the ad may offer the public additional incentives, like free food, gifts, etc. for participating. Be cautious if you attend one of these sessions. The session may focus on investing or tax-savings strategies, or it may end up promoting a specific investment. Don't commit until you've checked into the person or firm offering the opportunity.
- **High-pressure sales tactics.** The ad may urge you to act now and invest while the opportunity's hot. A sales tactic like this doesn't necessarily mean you're a target of a scam. The point is you should NEVER feel pressured to invest. If it's a good opportunity, it WILL be there long enough for you to check into it first to make sure it's legitimate.
- **Company's purported 'track record'.** Many ads promote the fact that the company or person offering the opportunity has been in business a long time, are backed by a large conglomerate, and/or have achieved high performance in years past. A company's track record should not be the deciding factor when making an investment decision. Research the company's history and track record but also take other factors, such as your investment objectives, into account before committing.
- **Requests for personal information.** Ads may send you to a toll-free line, website or a free seminar so you can request more information or fill out an application form. Check to ensure the investment opportunity is legitimate before submitting information. If it is a potential scam, your personal information could be shared, sold or held for use in future scams.
- **Tax-savings or tax-shelter incentives.** The tax angle is an effective attention-grabber. A toll-free number, website or free seminar may be promoted to explain how the tax savings work. Promoters that tell investors that a tax shelter identification number means the shelter has been approved by CRA are misleading investors. In actual fact, the identification number is for identification purposes only and does not in any way confirm the entitlement of an investor to claim any tax benefits associated with the tax shelter.

Be wary of any ad that uses tax savings as a key selling point. Often, people sign up but discover later that they've been misled and end up owing taxes to the CRA. Or they may learn they've become a victim of a scam. The CRA has previously issued these fact sheets and alert to advise investors of the potential risks and problems associated with some shelters:

- <http://www.cra-arc.gc.ca/newsroom/factsheets/2003/nov/1125taxshelter-e.html>
- <http://www.cra-arc.gc.ca/newsroom/factsheets/2004/nov/1125tax-e.html>
- <http://www.cra-arc.gc.ca/newsroom/alerts/2005/a051122-e.html>

The CSA, the council of securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets. Their mandate is to protect investors from unfair or fraudulent practices through regulation of the securities industry. Part of this protection is educating investors about the risk, responsibilities and rewards of investing.

**For more information:**

**CRA Website:** <http://www.cra-arc.gc.ca/menu-e.html>

**CSA Website:** <http://www.csa-acvm.ca/>

**Provincial and Territorial Securities Regulators**

Yukon Securities Registry Richard Roberts Richard.roberts@gov.yk.ca 867-667-5225	British Columbia Securities Commission Andrew Poon APoon@bcsc.bc.ca 604-899-6880 1-800-373-6393 (BC & Alberta only) <a href="http://www.bcsc.bc.ca">www.bcsc.bc.ca</a>
Securities Registry Northwest Territories Donald MacDougall donald_macdougall@gov.nt.ca 867-920-8984 <a href="http://www.justice.gov.nt.ca/SecuritiesRegistry/SecuritiesRegistry.htm">www.justice.gov.nt.ca/SecuritiesRegistry/SecuritiesRegistry.htm</a>	Alberta Securities Commission Tamera Van Brunt tamera.vanbrunt@seccom.ab.ca (403) 297-2664 1-877-355-0585 (toll free) <a href="http://www.albertasecurities.com">www.albertasecurities.com</a>
Nunavut Securities Registry Jennifer MacIsaac jmacisaac@gov.nu.ca Phone: (867) 975-6591	Saskatchewan Financial Services Commission <a href="http://www.sfsc.gov.sk.ca">www.sfsc.gov.sk.ca</a>
Manitoba Securities Commission Ainsley Cunningham aicunningh@gov.mb.ca 204-945-4733 1-800-655-5244 (Manitoba only) <a href="http://www.msc.gov.mb.ca">www.msc.gov.mb.ca</a>	Ontario Securities Commission Laurie Gillett 416-595-8913 1-877-785-1555 (toll-free in Canada) <a href="http://www.checkbeforeyouinvest.ca">www.checkbeforeyouinvest.ca</a> <a href="http://www.osc.gov.on.ca">www.osc.gov.on.ca</a>

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Nova Scotia Securities Commission Chris Pottie <a href="mailto:pottiec@gov.ns.ca">pottiec@gov.ns.ca</a> 902-424-5393 <a href="http://www.gov.ns.ca/nssc">www.gov.ns.ca/nssc</a>	Department of Attorney General Prince Edward Island Mark Gallant <a href="mailto:mlgallant@gov.mb.ca">mlgallant@gov.mb.ca</a> 902-368-4552 <a href="http://www.gov.pe.ca/securities">www.gov.pe.ca/securities</a>
Financial Services Regulation Division Newfoundland and Labrador Doug Connolly <a href="mailto:Connolly@gov.nl.ca">Connolly@gov.nl.ca</a> 709-729-2594 <a href="http://www.gov.nl.ca/scon">www.gov.nl.ca/scon</a>	