

## **Investor Watch**

### **Misleading claims regarding listing on stock exchanges**

The Nova Scotia Securities Commission is warning investors to be wary of persons promoting securities, particularly over the telephone, with claims as to their listing on stock exchanges.

#### ***What type of claims should I be concerned about?***

Investors should be cautious of all unsolicited recommendations. You do not know the motives of the person on the other end of the phone, and they do not know you, your financial objectives or risk tolerance. They are not in a position to give you investment advice.

The promoter may claim the investment being offered is listed on one or more stock exchanges, often located in a foreign country. If this is true, it can easily be confirmed by checking with your financial adviser, with the stock exchange where the securities are listed, or your provincial securities regulator. If the security being promoted is listed on an exchange, the stock is available for purchase through your regular financial advisor, and there is no need to deal with a stranger on the telephone.

If you have access to the Internet, you will find hundreds of sites dedicated to investing and investments – but be careful. Confirm internet information, particularly promotional information and investment advice, with reputable sources.

Sellers may tell you the securities will soon "go public" and be listed on a stock exchange. Securities laws do not allow these kinds of claims. Regardless of whether the company has applied for a listing, until the security listing is approved, they have no way of knowing the status of their approval and cannot make such a claim.

Be wary of investments listed on unfamiliar foreign stock markets. There are minimum requirements in place for listing on the recognized markets. Other world markets have differing requirements. Listing on a stock exchange does not assure the merit of an investment.

#### ***When should I investigate further?***

The Nova Scotia Securities Commission urges investors to protect themselves by researching any and all investment opportunities before investing. Knowing the risks of an investment before you buy it is one of the key elements to making an informed investment decision. While no investment is without risk, researching investment opportunities may lessen the risk of falling victim to a scam.

In many cases, investments promoted via unsolicited telephone calls sound authentic. Investors should verify any of these types of investments with an objective source such as a registered financial advisor or through independent research. Once money changes hands, it's often difficult or impossible to get it back.

If you have been contacted by someone attempting to sell questionable investments, contact the Nova Scotia Securities Commission at (902) 424-4558.