15 Questions that Can Turn Off a Swindle

One difference between a reputable investment firm and a swindler is that a reputable firm encourages you to ask questions, to obtain as much information as possible, to clearly understand the risks involved, and to be entirely comfortable with any investment decision you make. A reputable firm will answer the following questions.

1. Where did you get my name?
2. What risks are involved in the investment?
3. Can you send me a detailed explanation of your investment so I can review it at my leisure?
4. Would you mind explaining your investment opportunity to my lawyer or accountant?
5. Can you give me the names of your company's principals and officers?
6. Can you provide a prospectus or risk disclosure statement?
7. Is the investment offered on a regulated exchange?
8. To what governmental regulatory supervision is your company subject?
9. How long have you and your company been in business? Do you have a disciplinary history? Are you registered to sell securities?
10. Will you provide written documentation of your track record?
11. When and where can I meet with you or with another representative from your company?
12. Where exactly will my money be? What type of externally audited financial statements do you provide?
13. How much of my money goes for commissions and management fees?
14. How can I liquidate (sell) the investment?
15. If disputes arise, how can they be resolved?

LARA
LICENSING AND REGULATORY AFFAIRS

Corporations, Securities & Commercial Licensing Bureau (CS&CL), Securities and Audit
Division Phone: (517) 335-5237
lara-cscl-securities-audit@michigan.gov