

Investor Advisory: Celebrity Endorsements

Influencers and celebrities may be paid to endorse an investment product, or their likeness may be used by scammers to create fake endorsements. Be wary of investment endorsements from celebrities or professional athletes on TV, radio, news sites or social media.

Just because a famous person has endorsed an investment product doesn't mean it is legitimate or appropriate for all investors.

Celebrities, like anyone else, can be lured into participating (even unknowingly) in fraudulent schemes. Fraudsters sometimes even pay people – for example, social media influencers, celebrities, or even actors to pose as ordinary people turned millionaires – to tout an investment on social media.

In March 2023, the U.S. Securities and Exchange Commission [filed charges against a handful of celebrities](#), including Lindsay Lohan, Jake Paul and Ne-Yo, for violating laws for promoting certain cryptocurrencies without disclosing they were being compensated for doing so.

In some cases, celebrities may be linked to products or services without their consent. Scammers are now using artificial intelligence (AI) to create ads and endorsements that use real celebrities' voices and photos to make the recommendation appear real and trustworthy.

Even if the celebrity endorsement and the investment opportunity are genuine, the investment may not be right for you. Before investing, always do your research and follow these steps:

- **Check out the background**, including registration status, of anyone recommending or selling an investment.

- **Learn about the company's finances, organization, and business prospects** by carefully reading any prospectus and the company's latest financial reports.
- **Never make an investment decision based solely on a celebrity endorsement**, or other information you receive in investment newsletters, online advertisements, email, investment research websites, internet chat rooms, direct mail, newspapers, magazines, television, or radio.
- **Be particularly skeptical about investment information on social media.** While investors are increasingly relying on social media for information about investing, it also creates opportunities for fraudsters to scam investors. Social media allows fraudsters to easily post information that looks real, to create fake profiles and to impersonate legitimate sources.
- **Before investing in a crypto-related investment**, understand how the investment works and look for warning signs that it may be a scam. In the United States, crypto asset trading platforms that hold cryptocurrencies on behalf of their clients are subject to regulation and must be registered.
- **Contact the North Dakota Securities Department** if you have any concerns about unsolicited investment opportunities or about the legitimacy of an investment opportunity. Being an informed investor is the best defense against investment fraud.
- **Sign up** for news and alerts from the North Dakota Securities Department.

Original Content: [FCNB – New Brunswick Financial and Consumer Services Commission](#)