

## Investor Alert: Scammers Posing as Brokers or Investment Advisers

Scammers may falsely claim to be registered with state securities regulators, the Securities and Exchange Commission (SEC), or the Financial Industry Regulatory Authority (FINRA) in order to lure investors into scams, or even impersonate real investment professionals who actually are registered with these organizations. They may misappropriate the name, address, registration number, logo, photo, or website likeness of a currently or previously registered firm or investment professional, and try to trick investors into believing that they are registered.

### Imposter Tactics Used By Scammers

- **“Spoofed” Websites.** Scammers may set up websites using URL addresses or names similar to those of registered firms or investment professionals to trick investors into believing that they are registered or that they are affiliated with a registered firm or investment professional.
- **Fake Profiles on Social Media.** Scammers may set up profiles impersonating registered investment professionals on popular social media platforms and then message investors to solicit their money.
- **Cold Calling.** Scammers may set up [boiler rooms](#) with teams of people cold calling investors to solicit their money while claiming to be employees of registered firms. They may use technology to make it appear they are calling from the firm’s location.
- **Misrepresenting or Falsifying Documents.** Scammers may recruit investors by misrepresenting that their firm was registered with the SEC, including pointing to the firm’s [Form D](#) filings to support the misrepresentation. They may solicit investors by impersonating a registered investment professional and generating a fake version of a public report using the professional’s name and [CRD](#) number.
- **Personalized Communication.** Through repeated communications by phone, email or social media channels, scammers might attempt to build a personal relationship with investors. These communications can be elaborate, including detailed requests and [fake seals and other phony information](#). They will likely continue to keep in touch—and can be relentless in their communications—until investors send money or provide

information that will give them access to assets. At that point, the scammer might ask for additional funds, or simply disappear.

## Watch Out For Red Flags

Regardless of whether someone claims to be registered with securities regulators, beware if you spot these warning signs of an investment scam:

- **Guaranteed High Investment Returns.** Promises of high investment returns – often accompanied by a guarantee of little or no risk – is a classic sign of fraud. Every investment has risk, and the potential for high returns usually comes with high risk.
- **Unsolicited Offers.** Unsolicited offers (you didn't ask for it and don't know the sender) to earn investment returns that seem "too good to be true" may be part of a scam.
- **Red flags in Payment Methods for Investments.**
  - **Credit Cards.** Most licensed and registered investment firms do not allow their customers to use credit cards to invest.
  - **Digital Asset Wallets and Cryptocurrencies.** Licensed and registered financial firms typically do not require their customers to use digital asset wallets or digital assets, including cryptocurrencies, to invest.
  - **Wire Transfers and Checks.** If you pay for an investment by wire transfer or check, be suspicious if you're being asked to send or to make the payment out to a person or to a different firm, the address is questionable (for example, an online search for the address suggests it is not an office building where the firm operates), or you are told to note that the payment is for a purpose unrelated to the investment (for example, medical expenses or a loan to a family member). If you wire money outside of the United States for an investment that turns out to be a scam, you likely will never see your money again.

## Check Registration of Investment Professionals

Many sellers of investment products or services are either brokers, investment advisers, or both. Most investment firms and professionals must register with the SEC and/or state securities regulators.

**Verify the identity of anyone offering you an investment. Do not solely rely on the website or contact information the person provides you. If you suspect someone is falsely claiming to be registered with securities regulators, do not give the person any money and do not share your personal information. Report the person to your state securities regulators or the SEC.**

To quickly and easily check if someone offering you an investment is currently licensed or registered, use the BrokerCheck [resource](#) on the Securities Department's website homepage or the search tool on the SEC's website [Investor.gov](#).

## Helpful Links

[View FINRA video on Regulator Imposter Scams](#)

[Original SEC Investor Alert](#)

## Contact the North Dakota Securities Department

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**Website:** [www.securities.nd.gov](http://www.securities.nd.gov)