

For Immediate Release
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CSA warns Canadians: Don't buy into the hype when investing

Calgary – October is Investor Education Month and the Canadian Securities Administrators (CSA) are warning Canadians to not let extravagant promotions for new sectors or novel investing opportunities lead them into an unsuitable, unsustainable or fraudulent investment. The CSA urges Canadians to be wary of flashy headlines about emerging businesses in areas such as medical marijuana, “green” energy or digital currencies, and to continue to do their homework before they invest.

“Too often we see investors buying into the latest, greatest investment opportunity based on information that is light on details and promotes the investment as a ‘can’t miss’ opportunity,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “There is no such thing as a ‘can’t miss’ investment, and investors must take time to research the validity of the business, the risk factors involved and the investment’s suitability for meeting their personal finance goals.”

There are a number of steps investors should complete before they invest:

- Learn more about the company and the product it is offering.
 - What is its strategy and timeline?
 - Is there a market for the product?
 - What stage of development is it in?
 - What resources (such as cash, permits, technical capabilities and leadership) are currently available and committed?
- Identify the risks by using the [CSA’s National Registration Search](#) to check the registration status and past history of the individual or firm offering the investment opportunity.
- Find out if the individuals offering the investment opportunity are on the [CSA Disciplined Persons List](#).
- Determine if the investment meets your own investing criteria, such as the minimum investment amount, the risk profile and the type of investment.

The CSA also warns that fraudsters will use the hype over the latest investing fad, current event or tragedy to create an investment opportunity to separate investors from their money. Fraudsters are very good at exploiting any situation for their own benefit and Canadians should know the [Red Flags of Fraud](#) before making any investing decision.

Canadians should also watch for investor education tweets throughout October from [@CSA_News](#) for helpful investing tips and information.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for Canadian capital markets.

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