



Saskatchewan  
Financial Services  
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The Commercial Crime and Fraud Sections with the Regina Police Service, Saskatoon Police Service, Saskatchewan Financial Services Commission and the RCMP have joined forces to promote March as Fraud Awareness Month to Saskatchewan residents and consumers.

Public education and awareness is key in preventing and reducing the number of victims of fraud. During the fifth week of Fraud Awareness Month, the fraudulent activity to be profiled is Real Estate Investment Scams.

Recently, investors who have experienced disappointing returns with traditional investments have been turning to “Real Estate” investments believing that they can provide stability, security and great returns.

Often, individuals are offered the opportunity to invest in what they believe to be the ownership of land. In many cases, what the investor actually purchases is a bond or share in a company, or a series of companies, that maybe involved in real estate development. Investors do not, in fact, hold an interest in the land.

Investors may be lead to believe that their investment is secured by land and the salesperson and promotional materials often use terms such as “guaranteed”, “secured” and “risk-free”. Remember: these types of investment are not “guaranteed”, “secured” and “risk-free”. These words should serve as red flags to any potential investor.

When completing the final contractual documents, the investor is required to sign a risk acknowledgement form. Investors are required to sign a risk acknowledgement form for a reason – by nature, these types of investments are risky and you could lose all of your investment. Generally, the greater the rate of return promised, the greater the risk involved. Don’t be fooled by the promise of great returns with no risk.



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To help minimize your risk:

- Be sure of your investment. Are you getting a bond, a share of the company, or an interest in land?
- Do your homework. Learn all you can about the offering company. Consult unbiased resources in your research.
- Look for red flags. Don't be misled by the promise of high returns or terms such as "guaranteed" or "no risk".
- Get it in writing. The salesperson must provide you with the details of the investment in an offering memorandum. If the details of the offering document don't match the marketing material or verbal sales pitch, or if the salesperson is unable to provide you with an offering document; exercise extreme caution when considering the investment.
- Call an expert. Prior to signing anything, review all the documents you've received with someone other than the salesperson, such as a trusted financial advisor, accountant or lawyer with experience in these types of investments.

If you have been contacted by someone in relation to activity such as this, or have suspicion of any other fraudulent activity, please contact the Enforcement Branch of Saskatchewan Financial Services Commission at (306) 787-5645.

### **About Saskatchewan Financial Services Commission**

Saskatchewan Financial Services Commission (SFSC) protects consumer and public interests and supports economic well-being through responsive marketplace regulation. We protect Saskatchewan consumers by regulating financial products and service providers in an effective, efficient and balanced manner.



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For more information on the SFSC and their regulatory responsibilities, please visit [www.sfsc.gov.sk.ca](http://www.sfsc.gov.sk.ca).

Fraud Awareness is part of a national crime prevention campaign to increase Canadians' awareness of and knowledge about different types of fraud in order to help citizens to not become fraud victims. RCMP Saskatchewan's "F" Division Commercial Crime Section has offices in Regina and Saskatoon. Their role is to reduce the impact of economic crime on Canadians by maintaining the integrity of our economy through public education, crime prevention, and enforcement.

To better educate yourself with this scam and others, please visit [www.rcmp-grc.gc.ca/scams](http://www.rcmp-grc.gc.ca/scams) or [www.antifraudcentre.ca](http://www.antifraudcentre.ca)

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For further information please contact:

Jennifer Anderson  
Coordinator, Information & Education  
Saskatchewan Financial Services Commission  
Phone: 306.798.4160