

Irish Stock Exchange warns Investors about Share Scams

Friday 2nd March, 2012

The Irish Stock Exchange (ISE) has today reminded investors to be vigilant to potential scams targeted at shareholders in Irish and other public companies.

These so called “boiler room scams” are operated by fraudsters who contact investors unexpectedly and offer to buy their shares at prices higher than current market value. These unauthorised individuals and companies obtain investor information and contact details by accessing publicly available shareholder lists. While cold-calling by phone is the most common form of contact they may also use email, post, face-to-face contact or approach investors at seminars.

These individuals often use high pressure sales tactics and tell investors that they need to make a quick decision or miss out on a deal which will give them a large return on their investment. The offer to purchase shares will likely come with a request for bank details or money up front as a bond or other form of security, which will be accompanied by a guarantee to pay back the money involved if the sale does not go ahead. This advance fee is part of the scam – investors are unlikely to hear from them again.

The ISE reminds investors that if they are in receipt of an unsolicited call from someone offering to buy their shares that they should:

- Remain vigilant – if it sounds too good to be true, it probably is!
- Take a note of the name of the person and organisation that has contacted you.
- Do not respond to high pressure tactics to provide bank details or arrange to transfer money if you are unsure of the bona fide nature of the caller.
- Check if the company or individual is appropriately authorised to operate as an investment firm in Ireland by the Central Bank of Ireland. The list of authorised investment firms is available on the Central Bank’s website – www.centralbank.ie – or alternatively, investors may contact the Central Bank on +353 (0)1 224 4000.
- Obtain independent advice from a qualified advisor or stockbroker.
- Report any unsolicited approaches in relation to your shares to the company’s registrar.

Further Information

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