Warning to Shareholders – Boiler Room Scams

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In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based ‘brokers’ who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as ‘boiler rooms’. These ‘brokers’ can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy or sell shares at a discount or inflated price or offers of free company reports. If you receive any unsolicited investment advice:

* Make sure you get the correct name of the person and organisation
* Check that they are properly authorised by the FSA by visiting http://www.fsa.gov.uk/register/
* Report the matter to the FSA either by calling 0845 606 1234 or visiting http://www.fsa.gov.uk
* If the calls persist, hang up.

The FSA also maintains on its website a list of unauthorised overseas firms who are targeting, or have targeted, UK investors and any approach from such organisations should be reported to the FSA so that this list can be kept up to date and any other appropriate action can be considered.

Please note if you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme.

The FSA can be contacted by completing an online form at: http://www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml

More detailed information on this or similar activity can be found on the FSA website:
http://www.fsa.gov.uk/consumer/

WARNING: We have recently been made aware of questionable approaches to Shareholders by a company operating out of New York called the **Easton Consultancy**. This maybe a scam and has been reported.

See also: http://www.sec.gov/answers/advancefeefraud.htm