



Investors, be Cautious

The research done by **My Stock Choice** is totally independent of all publicly traded companies or private companies interested in going public. The internet is prevalent with seemingly independent commentary on investment research websites when in fact many of the so called “independent commentary” are paid to promote stocks. Please beware of such companies.

Warning From The SEC

When you read an article on an investment research website, be aware that the article may not be objective and independent. For example, the writer may have been paid directly or indirectly by a company to promote that company’s stock. In some cases, the writer may not disclose compensation received or may go so far as to claim falsely that compensation was not received. Keep in mind that fraudsters may generate articles promoting a company’s stock to drive up the stock price and to profit at your expense.

Stock promotion schemes also may be conducted through [social media](#), [investment newsletters](#), online advertisements, [email](#), Internet chat rooms, direct mail, newspapers, magazines, television, and [radio](#). Be wary if you receive communications (including new posts, tweets, text messages, or emails) promoting a stock from someone you do not know, even if the sender appears connected to someone you know. If a company’s stock is promoted more heavily than its products or services, this may be a red flag of investment fraud.

[Microcap stocks](#), some of which are [penny stocks](#) and/or nanocap stocks, may be particularly susceptible to stock promotion schemes and other forms of market [manipulation](#). To learn about red flags of fraud and other risks to consider before investing in microcap stocks, read our Investor Bulletin: Microcap Stock Basics ([Part 3 of 3: Risk](#)).

SEC Enforcement Actions. The SEC has taken enforcement action against companies and individuals for generating deceptive articles on investment research websites. The SEC recently [charged](#) 27 parties – including public companies, firms, and writers – with fraud for generating articles that promoted certain stocks when some or all of the writers allegedly:

- Failed to disclose that they received payment, even though they had been paid directly or indirectly by the companies;
- Used different pseudonyms to publish multiple articles that promoted the same stock; and/or
- Used fake credentials (for example, misrepresenting that the writer was an accountant, fund manager, or research analyst who had certain academic degrees).

Additionally, the SEC alleged that some writers engaged in scalping (recommending a stock to drive up the stock price and then selling shares of the stock at inflated prices to generate profits).

Even if articles on an investment research website appear to be an unbiased source of information or provide commentary on multiple stocks, they may be part of an undisclosed paid stock promotion. Never make an investment based solely on information published on an investment research website. Before investing in a particular stock, research the company thoroughly and make sure you understand its business. As with any investment decision, carefully review all of the materials available to you and if possible, verify what you are told about the investment.

Additional Information

Updated Investor Alert: [Fraudulent Stock Promotions](#)

Investor Alert: [Beware of False or Exaggerated Credentials](#)

Check out the background, including registration or license status, of anyone recommending or selling an investment through the SEC's Investment Adviser Public Disclosure (IAPD) database, available on [Investor.gov](#).

Report [possible securities fraud](#) to the SEC. [Ask a question or report a problem](#) concerning your investments, your investment account or a financial professional.

Visit [Investor.gov](#), the SEC's website for individual investors.

Receive Investor Alerts and Bulletins from the Office of Investor Education and Advocacy ("OIEA") by [email](#) or [RSS feed](#). Follow OIEA on [Twitter](#) @SEC_Investor_Ed. Like OIEA on [Facebook](#) at facebook.com/secinvestoreducation.