



Beware of Speculating and Gambling

By Ric Cochran

I often get calls about so-called “investments” that are far from prudent investing. Here are some I’ve been asked about lately:

Iraqi dinars seem to be a hot topic again. Promoters have been hawking these at least since the first Gulf War, and they really picked up steam after we invaded Iraq. It’s worth noting that the Saddam Hussein regime’s dinars are generally considered worthless except by those trying to unload them with a pitch that some anticipated event, often cloaked in secrecy (to explain why it’s unverifiable), will cause them to suddenly be worth a fortune. Best of all, they’re offering you an amazing opportunity to get in on it before everyone finds out. Yep. As for the current regime’s dinars, I’ve heard pitches with plots worthy of a Dan Brown novel. My advice? Purchase a Dan Brown novel, or his entire collection. You’ll come out cheaper. If dinars are going to be so valuable one day, why is someone trying to sell them to you?

I received a call about an “investment opportunity,” seen online, about how to cash in on gift rewards points offered by businesses. Supposedly, they’re expected to become an alternate form of currency in place of dollars. I remember too well my former favorite airline slashing the value of my air miles. And those Borders Books reward cards won’t be worth much anytime soon either since they’re bankrupt. Red flags popped up all over as I visited the website. The site claimed there were huge profits to be made by getting in early. (Maybe it’s a secret only you and everyone they can get to come to their website know about.) But they dropped the names of major Wall Street firms they claim are also investing in what they’re touting. Hmmm. So much for getting in early! And a web search turned up nothing I could find of anyone on Wall Street firms having any involvement. I wouldn’t be terribly impressed if Wall Street

was investing, as Wall Street often invests other people’s money in foolish endeavors. But not finding any Wall Street buzz at all, as touted, was another red flag. Explanations of how “investors” would profit appearing convoluted and purposefully vague didn’t help either. That’s never a good sign. As expected, I found no mention of any legitimate third-party verification or auditing of their claims based on GIPS – Global Investment Performance Standards. Conclusion: run!

What draws people to gamble money they’d never take to a casino? Scammers and promoters have fertile imaginations in good times and bad. But they tend to outdo themselves when interest rates are low and people yearn for higher returns. The allure of above-average returns can blind otherwise cautious people into “taking a chance” for reasons having far more to do with a desire for jackpot profits than any reasonable investigation of risk versus reward. Promoters and scammers know this human flaw. They count on it and seek to exploit it!

How can you avoid taking ridiculous levels of risk? We recommend that you start by never investing without being shown third-party verified returns audited to GIPS – Global Investment Performance Standards. We can show you how to check and verify this. It’s arguably the highest level of independent performance auditing on the planet. That quickly clears out the fly-by-night scammers as well as what I’d call pipe dreams peddled by the financial industry. It’s the best truth detector we know of.

We teach there are three key signs of speculating and gambling:

- 1) picking individual stocks or investments as opposed to being diversified in a structured portfolio with GIPS audited returns;

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Ask about our RAM Workshop

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When I die, I want my
last words to be,
"I left a million dollars
hid under the ..."

...Speculating and Gambling *continued*

- 2) trying to guess the "right time" to get in or out of something (as if anyone has a crystal ball that can read the future);
- 3) investing based on expectation that recent past performances above historical averages will continue for your benefit into the future.

The bottom line is there are prudent ways to invest instead of speculating and gambling. When you can so easily lose money these days, why not be prudent and stick with advisors who can provide third-party GIPS audited returns?

[The statements above are the opinions of the author. Past performance is no guarantee of future results. No offers to sell or purchase securities are being made or implied.]

Fall is a southerner's reward for surviving the summers.

James Farmor



**Congratulations
Ashley on your
7th anniversary as
office manager!**

December 2, 2014

Of course I talk to myself. Sometimes I need expert advice.