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Don't Make Investment Decisions Based Solely on Celebrity Endorsements

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THE OFFICE OF INVESTOR EDUCATION AND ADVOCACY, THE SECURITIES AND EXCHANGE COMMISSION



Celebrities, from movie stars to professional athletes, take to TV, radio, and social media to endorse a wide variety of products – sometimes even investment opportunities. But a celebrity endorsement does not mean that an investment is legitimate or that it is appropriate for all investors. It is never a good idea to make an investment decision just because someone famous says a product or service is a good investment.

Celebrities, like anyone else, can be lured into participating (even unknowingly) in a fraudulent scheme. Also, celebrities are sometimes linked to products or services without their consent so the celebrity may not even have endorsed the investment.

Even if the celebrity endorsement and the investment opportunity are genuine, the investment may not be a good one for you. Before investing, always do your research:

- ▶ Use [Investor.gov](https://www.investor.gov) to check out the background, including registration or license status, of anyone recommending or selling an investment.
- ▶ Read the company's latest financial reports and any prospectus to learn about the company's finances, organization, and business prospects. These may be available through the SEC's [EDGAR](https://www.edgar.gov) database.
- ▶ Consider the investment's potential costs and fees, risks, and benefits in light of your own investment goals, risk tolerance, investment horizon, net worth, existing investments and assets, debt, and tax considerations.

Never make an investment decision based solely on a celebrity endorsement, or other information you receive through social media, investment newsletters, online advertisements, email, investment research websites, internet chat rooms, direct mail, newspapers, magazines, television, or radio.

The Office of Investor Education and Advocacy has provided this information as a service to investors. It is neither a legal interpretation nor a statement of SEC policy. If you have questions concerning the meaning or application of a particular law or rule, please consult with an attorney who specializes in securities law.

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