



For Immediate Release

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Ohio Division of Securities Raises Awareness of Promissory Note Fraud

In recognition of International Fraud Awareness Week, Nov. 11-17, the Ohio Division of Securities is raising investor awareness of the risks associated with investments in promissory notes.

State securities regulators have identified promissory notes as a leading source of complaints to their agencies. In fact, the North American Securities Administrators Association (NASAA), of which the Ohio division is a member, reported 210 investigations involving promissory notes, which led to 149 formal enforcement actions by state securities regulators last year.

The advisory reminds investors to be cautious of short-term promissory notes. Investors should be cautious about promissory notes with durations of nine months or less, as these notes generally do not require federal or state securities registration. Such short-term notes have been the source of most – though not all – of the fraudulent activity involving promissory notes.

The full advisory is available on the agency's website at:

<https://www.com.ohio.gov/secu/investoralerts.aspx>

Before investing, the Division of Securities encourages potential investors to call the Investor Protection Hotline at 877-683-7841 to ask:

- Has the security been properly registered with the Division of Securities?
- Is the brokerage firm and salesperson licensed to sell securities in Ohio?
- Have any enforcement actions been taken against them?

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