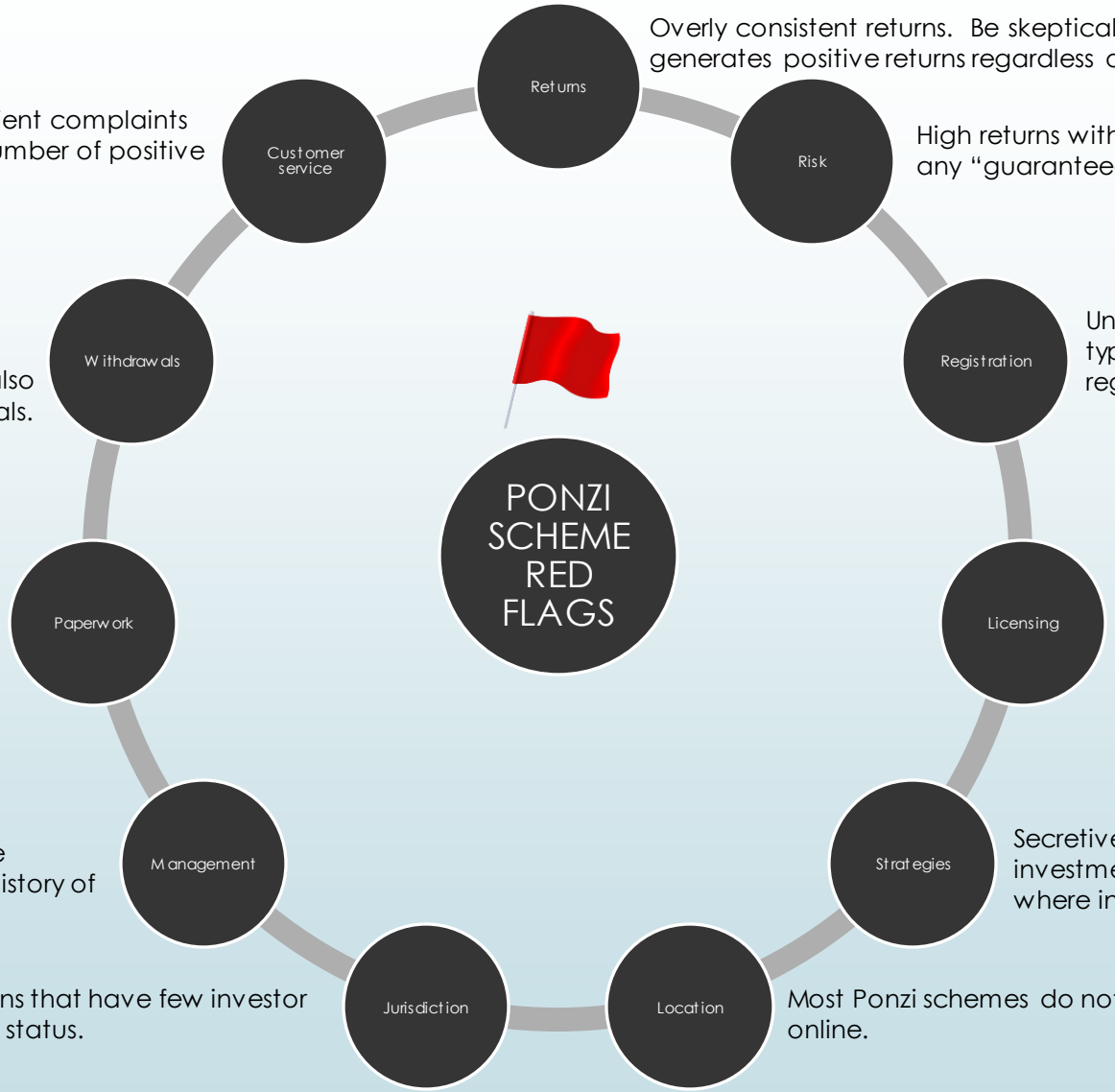
IDENTIFYING A CRYPTO PONZI SCHEME (SCAM)



Overly consistent returns. Be skeptical about an investment that regularly generates positive returns regardless of overall market conditions.

High returns with little or no risk. Be especially suspicious of any "guaranteed" investment opportunity.

Unregistered investments. Ponzi schemes typically involve investments that are not registered with the state regulator.

Unlicensed sellers. Most Ponzi schemes involve unlicensed firms and individuals.

Secretive and complex strategies. Avoid investments that are difficult to understand or where information is incomplete.

Most Ponzi schemes do not have a physical location and are run online.

Ponzi schemes will be based in jurisdictions that have few investor protection laws or even enjoy tax haven status.

Obscure management. Management have unknown business backgrounds or have a history of dubious business dealings.

Issues with paperwork. Account statement errors or misstatements or a lack of statements may be a sign that funds are not being invested as promised.

Difficulty receiving payments. Be suspicious if payments are difficult to receive or withdrawals difficult to make. Ponzi scheme promoters may also offer higher returns in order to prevent withdrawals.

Unresponsive customer service to client complaints combined with an unusually high number of positive customer/ client reviews.

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