Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Worksheet for the HoweyTrade Investment Program Classroom Activity

**Do You Want to Join the HoweyTrade Investment Program?**

As we watch the video, please take notes on the following:

What are some of the reasons someone might be INTERESTED in investing in HoweyTrade?

What are some of the reasons someone might NOT BE INTERESTED in investing in HoweyTrade?

What QUESTIONS do you have about HoweyTrade?

**Howey Trade Poll Question** (complete after watching video)

On a scale of 1-10, what is your level of interest in HoweyTrade as an investment?

*Not at all Extremely*

*interested interested*

1 2 3 4 5 6 7 8 9 10

**Video #2**

Please take notes below on the topic identified by your teacher:

**HoweyTrade Investing Quiz (circle the correct answer)**

**Investing Quiz (circle the correct answer)**

Q1. Dylan hears about an investment opportunity that will pay a guaranteed 50% return every week. The promoter reiterates that there is absolutely no risk. Dylan is suspicious because:

a. the investment return seems unrealistic b. all investments have risk

c. it is likely a scam d. all of the above

Q2. It is unlikely that a fraudster would call out other scammers in a scheme to steal your money ( True / False )

Q3. In a video promoting an opportunity with high guaranteed investment returns, a fraudster highlights their work experience at top financial firms around the world. This is an example of:

a. a humble brag b. exaggerated credentials

c. the prevalence of online work d. none of these

Q4. “Don’t put all of your eggs in one basket” summarizes which of the following?

a. day trading b. short selling

c. diversification d. guaranteed returns

Q5. A celebrity endorsement means that an investment is legitimate. ( True / False )

Q6. Which is NOT a red flag of investment fraud?

a. pressure to invest immediately b. promises of guaranteed high investment returns

c. risk of losing money d. unsolicited offers that seem “too good to be true”

Q7. Which of the following is the BEST way to tell if an individual is a licensed and registered investment professional?

a. trust your “gut feeling” b. explore their social media accounts

c. use the search tool on Investor.gov d. all of these are equally effective

Q8. Dylan watches a video about a “risk-free” investment opportunity guaranteed to pay a return of 25% annually for five years. What should Dylan do?

a. invest immediately b. invest after finding out if any celebrities have endorsed it

c. invest after review the video’s comments d. ignore the opportunity

Q9. An index fund is a type of mutual fund or ETF that seeks to track the returns of a market index. Index funds can be a low-cost, tax-efficient and diversified way to invest in securities. ( True / False )

Q10. The strategy of setting up regular automatic deductions from your paycheck or bank account into a savings or investment account to keep yourself on track toward your short and long-term financial goals is known as:

a. timing the market b. paying yourself first

c. putting all of your eggs in one basket d. researching before you invest

**Identifying Investment Fraud Red Flags**

For each example below, which red flag do you spot? Fill in the corresponding number in the blanks. Use each number once.

|  |  |
| --- | --- |
| A seller urging you to invest before tomorrow’s “deadline.” **Red Flag # \_\_\_.**  A 35-year-old claiming to have 30 years of investing experience. **Flag # \_\_\_.**  A seller showcasing a purported investor who got rich. **Flag # \_\_\_.**  An investment pitch that includes photos of expensive watches. **Flag # \_\_\_.**  A seller warning you that other sellers are con artists. **Flag # \_\_\_.**  A seller promising you returns of $25,000 a year with no risk. **Flag # \_\_\_.** | 1. Promises of great wealth  2. High guaranteed returns  3. Exaggerated credentials  4. Pressure to act now  5. Calling out scammers  6. Fake testimonials and celebrity endorsements |

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