

News Release

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Hon Gail Gago
Minister for State/Local Government
Relations
Minister for the Status of Women
Minister for Consumer Affairs
Minister Government Enterprises
Minister Ast Minister for Transport, Infrastructure & Energy

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BE WARY OF OFFERS TO BUY SHARES

Investors are being warned not to sell their shares to scheming predators when instead they could sell the shares for a higher price on the stock market.

Minister for Consumer Affairs Gail Gago says the warning coincides with consumer reports they're receiving unsolicited letters from a company offering to buy their shares for less than the market value.

Minister Gago said "When times are tough mum and dad investors might be tempted to sell their shares to prop up their weekly budgets. But they need to make some simple checks first to make sure they're not being ripped off."

"There's no point selling shares for less than they're really worth."

It is not illegal for an individual or company to approach a shareholder with an offer to buy shares, but Federal Government regulations require that a person making the unsolicited offer must provide the shareholder with a written statement about the market value of those shares on the day the offer is made. The shareholder must also be given at least a month to consider the offer.

Investors are encouraged to make their own checks about the current value of their shares before deciding to sell, and to seek independent financial advice if there are any doubts.

"Whenever an offer comes out of the blue, consumers need to think very carefully before responding. The offer may turn out to be a scam, but even if it is legal consumers need to consider whether the offer is actually to their benefit," says Minister Gago.

If investors are concerned that an offer is misleading they should report it to the Australian Securities and Investments Commission. Further information is available at www.asic.gov.au/complain