

# “Stock Market Guru” Scams

## Stages of the Scam:

**1. Self-Promote as a Stock Market Guru:** Presenting themselves as a trusted authority like a "stock market expert" or "investment guru" on social media platforms like YouTube, Instagram and Facebook showcasing Profitable Trades .

**2. Offer Paid Courses and advisory services:** Selling online "Exclusive" courses that promise high returns and guaranteed profits. Offering paid memberships to private groups or channels where "insider tips" are shared and may offer personalized advice for a fee.

**3. Misleading Claims and Tactics :** Giving false promises of high returns and claims of "guaranteed" profits, sometimes in the form of fixed percentages or daily earnings use high-pressure tactics like "limited spots" or "don't miss out" to force quick decisions, show profitable trades or results while concealing the numerous losses.



**4. Leveraging Social Media and Online Platforms:** Creating a sense of community where followers feel part of an exclusive group. Encouraging others to share their "success stories," often fabricated or exaggerated end up building an echo chamber where they convince others to join and create fear of missing out (fomo), encouraging impulsive decision making .

**5. Earning Commission and Referral Fees in the background:** Earning commissions by referring followers to brokers or financial institutions, often without full disclosure of the arrangement. Often, Encouraging followers to recruit others for a "larger cut," resembling a pyramid-like scheme.

**6. The Disappearing Act:** Once the scammer has made enough from selling courses and commissions, they disappear or stop responding to followers, often with no way to recover their losses .

## Caution for Investors

**1** Beware of Investment schemes promising guaranteed / fixed returns in securities market.

**2** Deal only with SEBI recognised/ registered intermediaries link is given here-> <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> .

**3** Report any suspicious activity to cyber cell, I4C helpline 1930 (<https://cybercrime.gov.in/>) .

**4** Refer to investor education & awareness videos on SEBI investor website-> [https://investor.sebi.gov.in/inv\\_aware\\_edu\\_videos.html](https://investor.sebi.gov.in/inv_aware_edu_videos.html) .