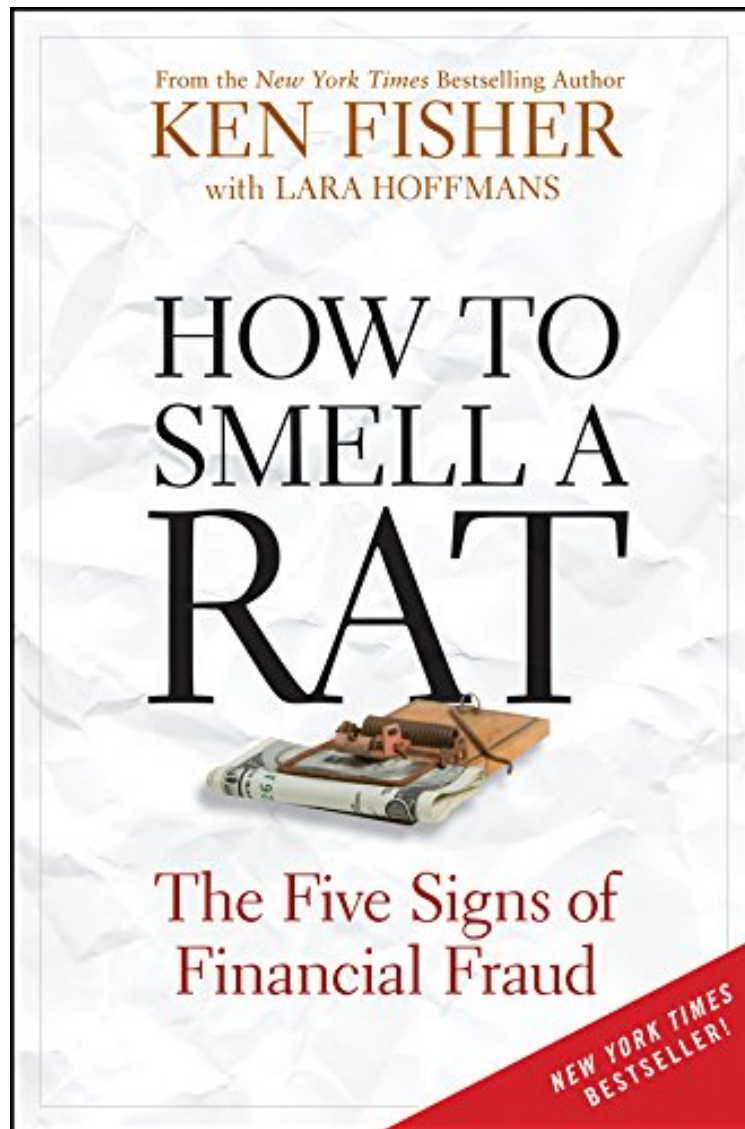


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## How to Smell a Rat: The Five Signs of Financial Fraud

*Ken Fisher, Lara Hoffmans*

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**Ken Fisher, Lara Hoffmans : How to Smell a Rat: The Five Signs of Financial Fraud** before purchasing it in order to gage whether or not it would be worth my time, and all praised How to Smell a Rat: The Five Signs of Financial Fraud:

0 of 0 people found the following review helpful. Well worth a readBy WC7PKen Fisher is a good writer and an excellent financial advisor. The advice is excellent for all levels of investor. I've been at it for 30 years and still learned quite a bit from Fisher's advice. One of the characteristics he fails to get to is the greed factor. Most "marks" of scammers wouldn't have been caught in the scam web if they weren't into greed. Getting more return than the other

guy -- getting more return than the market -- looking the other way when the scammer is doing things they know are wrong, etc. The book is generally well done, but the number of repeats of the same advice/information could have been reduced. 12 of 13 people found the following review helpful. No Longer Fearful! By CREER Thankfully I've never been duped (knock on wood) out of my hard earned investments and I can only express sympathy to those who have. However, if you asked me to come up with a sure fire way to sniff out individuals with nefarious intentions I could come up with maybe one or two. I believe most people would say the exact same thing. However, Ken Fisher and Lara Hoffmans provide FIVE key traits, which I believe help uncover the entire gamut of possibilities that unscrupulous investment firms design to grift money from honest and hard working investors. This book is invaluable and straightforward. It was incredibly easy to understand and is written in a way that any everyday investor can understand. This book doesn't try and masquerade as anything other than a deeply honest and telling account of the financial scandals that occurred over the last 2 years. Anyone looking to avoid being misled should use this book as a manual for interviewing their next money manager. "How to Smell a Rat", could have been titled "Choosing the Right Investment Manager - Things to Ask and Look For In an Advisor". 5 of 6 people found the following review helpful. Not worth a FULL reading. By Ronald in Hawaii Certainly the title to this book suggests that it might have some interesting stories and some sound advice. It was disappointing because it was sort of a single page of excellent advice followed by about 200 pages of marginal "filler." It makes FIVE good and valuable points, all listed on page 5 of the introduction under the title: "Better yet, Here are the Five Signs" (that you may be dealing with a RAT). The first is, that your adviser "has custody of your assets." The book correctly says NEVER, Never, Never let that happen. This is excellent advice. It is great advice even if your advisor is NOT a rat. That is because giving custody of your assets to your advisor is not necessary in the first place, so don't EVER take the chance. That seems like very sound advice. If the Bernard Madoff investors had read and followed that advice they collectively would have saved BILLIONS and the price of this book would have been the best money they EVER spent. I note that in one sense that this ONE SINGLY MOST IMPORTANT RULE is less about how to "smell a rat" as much as it is "how not to set yourself up for a financial advisor to easily take advantage of you." It is sort of like the question: "Would you give a stranger a key to your safe deposit box containing lots of gold and money?" Of course not. The book itself is about 200 pages long (including the index). The five rules summarized on this single page are discussed over and over and over again. Granted that reading it in this form does leave the reader with the well emplaced memory that THESE RULES ARE IMPORTANT in ways that a shorter treatise that did not repeat the lesson 100 times might not accomplish. But for FAST LEARNERS not adverse to following this advice, the "filler" in the book gets boring real quick. This book is some sound advice constituting a single page with about 200 pages of FILLER. This does mean that if you are about to hand over a big chunk of your money to some investment company, and you are not following the five rules, then this book is a bargain. But if you know these rules and can follow them, then buying and reading this book is not a good use of your time. Another way of what I am saying is that "This book is a Five Star book if you are really gullible, really trusting, and not too cautious (and possibly not too bright)" and is a one star book for the the cautious, prudent and intelligent investor. Another way of saying this is: " Spend five minutes at the library with this book; it will be five minutes well spent. But don't take the time to read the whole thing unless you otherwise can't absorb and apply the five rules spelled out on page 5). Please note that this Review is sort of like "one good sentence of advice followed by 99 sentences saying the same thing." Does THIS annoy you? If so consider what YOU will suffer by reading this book where the same process is repeated for almost 200 pages. Good luck with your investing.

A timely guide to uncovering financial fraud 2008 and 2009 will be remembered for bear markets, a global credit crunch, and some of the largest investment scams ever. But these scams are nothing new, they've been repeated throughout history, and there will certainly be more to come. But the good news is fraudsters often follow the same basic playbook. Learn the playbook, and know how to ask the right questions, and financial fraud can be easy to detect and simple to avoid. In *How to Smell a Rat*, trusted financial expert Ken Fisher provides you with an inside's view on how to spot financial disasters before you become a part of them. Filled with in-depth insights and practical advice, this reliable resource takes an engaging look at recent and historic examples of fraudsters, how they operated, and how they can be easily avoided. Fisher also shows you the quick, identifiable features of financial frauds and arms you with the questions to ask when assessing a money manager. Prepares you to identify and avoid financials cams that could instantly destroy your wealth Contains examples that highlight how financial frauds are committed Provides questions everyone should ask before entering any investment endeavor With *How to Smell a Rat* as your guide, you'll learn how to protect your interests and assets from unnecessary losses.

From Publishers Weekly Starred . With five straightforward rules that would have saved any investor from Bernie Madoff, investment firm CEO and Forbes columnist Fisher (100 Minds That Made the Market) gives readers a secure plan for fraud-proof investing, worthwhile for novices and sophisticated financiers alike. Using the example of everyman "Jim," a precarious investor navigating shark-filled waters, Fisher presents a clear, fast-paced, tightly organized guide to principles like "Too good to be true usually is," and "Due diligence is your job, no one else's."

Fully-referenced data, insider details, laser-focused statistical digressions, and the finer points of practical investing keep pages turning. Readers will value the practical, easy-to-follow models of solid, transparent investment strategies and examples from Fisher's experiences as CEO of his own investment firm. Fisher also includes suggestions for further reading and appendices that reproduce previously-published comparisons of different asset allocations, information for small business owners and short biographies of market-movers. Much more than what to avoid, Fisher's concise guide should be highly illuminating and confidence-building for anyone with a bank account. With five straightforward rules that would have saved any investor from Bernie Madoff, investment firm CEO and Forbes columnist Fisher (100 Minds That Made the Market) gives readers a secure plan for fraud-proof investing, worthwhile for novices and sophisticated financiers alike. Using the example of everyman "Jim," a precarious investor navigating shark-filled waters, Fisher presents a clear, fast-paced, tightly organized guide to principles like "Too good to be true usually is," and "Due diligence is your job, no one else's." Fully-referenced data, insider details, laser-focused statistical digressions, and the finer points of practical investing keep pages turning. Readers will value the practical, easy-to-follow models of solid, transparent investment strategies and examples from Fisher's experiences as CEO of his own investment firm. Fisher also includes suggestions for further reading and appendices that reproduce previously-published comparisons of different asset allocations, information for small business owners and short biographies of market-movers. Much more than what to avoid, Fisher's concise guide should be highly illuminating and confidence-building for anyone with a bank account. (Aug.) Starred review (Publishers Weekly, September 2009) Using well-known examples from recent headlines like Bernard Madoff and R. Allen Stanford along with a bevy of historical scam artists, Fisher details the red flags that should alert investors. They are: advisers who have access to your money; promises of returns that are too good to be true; mumbo-jumbo that takes the place of explaining investing strategy; fake benefits like exclusivity, and relying on someone else for due diligence. (Associated Press) From the Inside Flap In December 2008, a well-regarded member of the finance community, former NASDAQ chairman, huge charitable contributor, and pillar of New York society admitted to his sons the \$65 billion he managed for hedge funds, charities, foundations, Hollywood stars, and myriad smaller investors was a fraudulent; a Ponzi scheme. 2008 and 2009 will be remembered for bear markets, a global credit crunch, and some of the largest investment scams ever. But these scams are nothing new—from Charles Ponzi to Robert Vesco to Bernard Madoff—they've been repeated throughout history, and there will certainly be more to come in the future. But the good news is fraudsters often follow the same basic playbook. Learn the playbook—and know how to ask the right questions—and financial fraud can be easy to detect and simple to avoid. Some advisers start intending to embezzle. Others evolve to it—as Madoff claims. Either way, it's structurally the same, and you can learn ways to identify both intended and possible future fraud. Throughout your investing life, you may be presented with opportunities that seem too good to be true. In How to Smell a Rat: The Five Signs of Financial Fraud, trusted financial expert Ken Fisher provides you with an insider's view on how to spot potential financial disasters before you commit your money to a scam. Filled with in-depth insights and practical advice, this reliable resource takes an engaging look at recent and historic examples of fraudsters, how they operated, and how they could have been easily avoided. Fisher then shows you quick, identifiable features of potential financial frauds and arms you with questions to ask when assessing money managers. With this newfound knowledge, you can learn to spot red flags, such as: Advisers with direct access to investors; funds Firms with numbers that seem "too good to be true" Managers with fees that are too low—Madoff didn't charge any fees, he just charged for trading! There should be a premium for integrity. Asking the right questions and performing the proper due diligence go a long way toward finding a firm that insulates you from financial fraud. With the help of trusted financial expert and bestselling author Ken Fisher, you'll be better prepared to identify and avoid financial scams that could instantly destroy the wealth you've worked so hard to build.