

# NEBRASKA

Good Life. Great Opportunity.

**Department of Banking and Finance**



Pete Ricketts, Governor

## CONSUMER ALERT

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## NDBF ISSUES BINARY OPTIONS ADVISORY

SEPTEMBER 15, 2017 (LINCOLN, NEB.) — A binary option is a type of all-or-nothing investment contract, similar to placing a bet. Like the flip of a coin, there are only two possible outcomes: heads you win or tails you lose. When an investor purchases a binary option contract, the investor predicts the value of an underlying asset (currency, stock, etc.) at a predetermined time or date in the future – similar to placing a bet. If the investor correctly predicts the asset price at the end of the contract, which can be just a matter of minutes, the investor receives the payout agreed upon in the contract. If the investor is incorrect, there is no payout and the investor loses the amount invested in the binary option.

The Nebraska Department of Banking and Finance (“NDBF”) is cautioning investors about schemes related to binary options amid the proliferation of online binary option platforms and a growing number of related investor complaints. The advisory provides information and resources to help investors better understand binary options, their risks and where to turn for help.

The advisory also discusses common investor complaints and offers common tactics and warning signs of schemes related to binary options, including: unsolicited investment offers; high-pressure sales tactics; personal information requests; and a lack of information about the offering firm or its management.

The full advisory is available on the agency’s website at [www.ndbf.nebraska.gov/about/news-publications](http://www.ndbf.nebraska.gov/about/news-publications).

Before making any financial decisions, ask questions, do your homework and contact NDBF’s Consumer Hotline toll free at (877) 471-3445 in Nebraska, or (402) 471-3445 if you are out of state.

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