

ALABAMA SECURITIES COMMISSION

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SENIORS "TAKE CONTROL" AND PROTECT YOURSELF FROM BECOMING A VICTIM OF SECURITIES FRAUD

1. Don't be a "courtesy victim." You may be from a generation that was taught to be courteous at all times to phone callers, as well as people who visit you at home. Con artists will not hesitate to exploit the good manners of a potential victim. **When a stranger asks for your money, you should proceed with the utmost caution.** You are under absolutely no obligation to stay on the telephone with a stranger or allow them in your home. In these circumstances, it is not impolite to explain that you are not interested and hang up the phone or ask a stranger to leave your premises. If you are lonely and in need of companionship, don't make the mistake of seeking it from someone whose only real interest is to get his or her hands on your money.
2. Say "no" to any investment professional or con artists who presses you to make an immediate decision. **Before investing check out the salesperson, firm and the investment opportunity itself.** Extensive background information on investment salespeople and firms is available by contacting the Alabama Securities Commission. Almost all investment opportunities must be registered for sale in the state in which you live. Your state securities agency can tell you if the investment opportunity is properly registered. Before you part with your hard-earned savings, get written information about the investment opportunity, review it carefully, and make sure that you understand all the risks involved.
3. Always stay in charge of your money. A stockbroker, financial planner or telemarketing con artist who wants your money will be more than happy to assure you that he or she can handle everything, thereby relieving you of the need to watch over and protect your nest egg. Beware of any financial professional who suggests putting your money into something you don't understand or who urges that you leave everything in his or her hands. **Constant vigilance is a necessary part of being an investor.** If you understand little about the world of investments, take the time to educate yourself or involve a family member or a professional, such as your banker, before trusting a stranger who wants you to turn over your money and then sit back and wait for results.
4. Watch out for salespeople who prey on your fears. Con artists know that many Americans worry they will either outlive their savings or see all of their financial resources vanish overnight as the result of a catastrophic event, such as a costly hospitalization. Swindlers and abusive salespeople often pitch schemes as an opportunity for you to build up life savings to the point where such fears are no longer necessary. **Remember that fear and greed can cloud your good judgment and leave you in a much worse financial posture.** An investment that is right for you will make sense because you understand it and feel comfortable with the degree of risk involved.
5. Don't let embarrassment or fear keep you from reporting investment fraud or abuse. People who fail to report that they have been victimized in financial schemes often hesitate out of fear or embarrassment that they will be judged incapable of handling their own affairs. Some senior citizens have indicated that they fear that their victimization will be

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viewed as grounds for forced institutionalization in a nursing home or other facility. **If you think you have been scammed, the sooner you contact ASC the greater the chance of stopping the fraudster and regaining some of your lost money.**

6. Beware of "reload" scams. Younger victims who are ripped off by swindlers have time to pick themselves up and restore some or all of their losses through new earnings. Most older victims have a finite amount of money that is unlikely to be replenished in the event of fraud. **The result is a panic that is well known to con artists, who have developed schemes to take a "second bite" out of senior citizens who already have been victimized.** Faced with a loss of funds, some senior citizens will go along with another scheme (allowing themselves to, in effect, be reloaded) in which the con artists promise to make good on the original funds that were lost... and possibly even generate new returns beyond those originally promised. When a significant loss occurs contact ASC to check out the person who invested your money before investing more.

Contact ASC for inquiries regarding securities broker-dealers, agents, investment advisers, investment adviser representatives, and financial planners, the registration status of securities, to report suspected fraud, or obtain consumer information. Call: 1-800-222-1253 Fax: 1-334-242-0240 Email: asc@asc.alabama.gov.

Write: Alabama Securities Commission
Post Office Box 304700
Montgomery, Alabama 36130-4700

The internet is a great source of free investment information the ASC website at: www.asc.state.al.us.

Message from the Director, Joseph P. Borg

Dear Investor,

The Alabama Securities Commission (ASC) regulates the securities industry in Alabama.

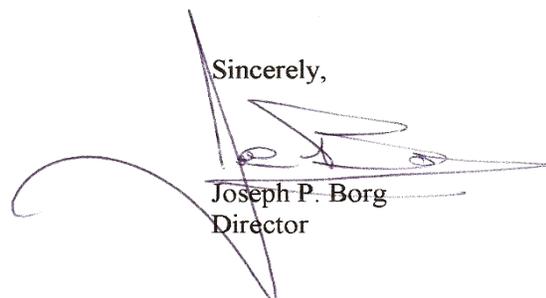
ASC is committed to protect investors against securities fraud and provides aggressive enforcement actions against any firm or individual who has violated the Alabama Securities Act or other state and federal statutes to the detriment of Alabama investors.

The Alabama Securities Act provides for the licensing and regulation of securities broker-dealers, agents, investment advisers and investment adviser representatives, and financial planners. ASC regulates the individual securities through registration. All of the above entities must be registered with the ASC to conduct business in Alabama unless subject to a statutory exemption from registration.

ASC promotes financial literacy to all citizens and students in Alabama by providing presentations, free information and access to curriculum for financial literacy education.

Prepare yourself to make an informed investment decision! Contact the Alabama Securities Commission to determine if the representative and firm with whom you wish to do business are properly registered in Alabama. Also, the Commission staff can provide free information relating to the disciplinary history (complaints, civil law suits, etc.), educational background and work experience of a firm or representative.

Sincerely,



Joseph P. Borg
Director

