

THE INFORMED INVESTOR

**THE ASC MISSION IS TO PROTECT INVESTORS FROM SECURITIES FRAUD AND PRESERVE LEGITIMATE CAPITAL MARKETS IN ALABAMA.**

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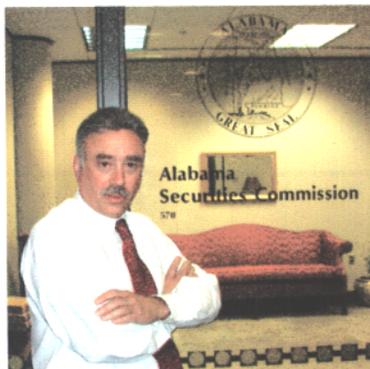
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**SEE ENFORCEMENT HEADLINE SUMMARIES: (PAGES 3-5) ARRESTS, CONFINEMENT, FINES, OR MONEY RETURNED TO INVESTORS IN TUSCUMBIA, PRATTVILLE, BIRMINGHAM, DAPHNE, ENTERPRISE, MONTGOMERY, CROPWELL, TUSCALOOSA, WETUMPKA, AND AUTAUGA COUNTY.**

**ASC Statistics for Fiscal Year 2002 (10/01/01 - 09/30/02)**

- Restitutions to victims of securities fraud: \$6,365,862.
- Rescissions ordered in ASC cases: \$555,205.
- Administrative Actions: 62.
- Criminal Felony Convictions Obtained: 16.
- Public Warnings Issued: 6.
- The Registration Division issued 101,411 licenses/registrations.
- There are 36 individuals awaiting grand jury action, arrest or trial.
- The Commission has 130 cases under investigation at this time.
- Contributed \$8.76 million to the General Fund after expenses.
- Total staff is 35, (4 attorneys; 9 special agents; and 5 division managers).

**Three Tier Approach to Regulate the Securities**



**—Legislation, Education & Enforcement—**

Alabama is proud to have one of the best conviction rates for criminal securities fraud in the United States. The Commission is lauded as one of the top ten most aggressive state securities agencies in the United States. Recently, in addition to its criminal conviction record the Commission participated in such activities as gathering detailed investigative evidence in partnership with the SEC, NYSE, NASD resulting in the payment of fines by large Wall Street firms who allegedly issued

biased stock research and gave executives of client companies' special access to stock offerings. The Commission's objective in participating in enforcement and legislation at the national level is to encourage a productive market by leveling the playing field so the investor can get accurate analyst information to make an informed investment decision. The most significant barrier to the recovery of our market is the loss of confidence by investors.

The Commission's active participation with other state regulators through NASAA<sup>1</sup> has paid great dividends in the regulation of the securities industry. The securities business today has few boundaries, especially with the wide use of the internet. We have seen small scam operations garner millions of dollars from Alabama, other states and countries all over the world in just a few months using the internet to advertise, sell by email, and by use of other traditional marketing methods. Alabama's cooperation with other states enables securities regulators to combine resources throughout North America. (continued on page 2)

<sup>1</sup> The Alabama Securities Commission is a member of the North American Securities Administrator Association (NASAA), an organization of the 66 state, provincial and territorial securities administrators in the U.S., Canada, Mexico and Puerto Rico.

### Three Tier Approach to Regulate the Securities Industry (continued from page 1)

Some NASAA projects include promoting the increase of financial education in high schools, and all types of training in enforcement, registration, compliance, etc. ASC staffers are working on uniformity of securities regulation throughout the United States and cross border issues with our neighboring countries of Mexico and Canada. NASAA, participates in a worldwide securities industry organization called **IOSCO** and an association of North and South American regulators called **COSRA**, in an effort to promote new markets and workable securities regulation in emerging countries. ASC has been the official U.S. states representative to **IOSCO** for the last three years.

The Commission's Education and Public Affairs Division is only two years old and has greatly expanded our ability to provide fraud prevention training and materials to all Alabamians. For more information on this, see pages 6-7. Recently, the Commission has joined banks, industry and other government agencies throughout Alabama to start the **Alabama JumpStart Coalition**. This is a volunteer effort to organize and combine resources to promote financial education in high schools throughout the State. This is exciting venture may help provide corporate funds and grants from trial monies for materials and training to public and private schools. Also, the Commission's staff conducts numerous events to all types of groups, associations, fraternal organizations and people from high schools to senior citizens, which has helped prevent Alabamians from losing millions of dollars. The ASC's objective is to teach citizens to control their own resources, to avoid victimization, and to acquire the knowledge and comprehension to make an informed investment decision.

As they say, "The proof is in the pudding." This edition depicts some of the securities fraud convictions, resulting from the Commission's strong enforcement activities. Although the Commission's conviction rates are among the highest in the country, the severity of punishment is not as devastating as the result to the victims. Many victims are Alabamians who worked, invested and saved all of their lives only to be cheated out of their life savings and sometimes their homes. In many cases the money is never recovered and the perpetrator only spends a short time in prison. We are working with the Attorney General's office to propose new legislation that will raise the 'cost of doing business' by fraudsters, increasing not only fines and penalties but jail time. On the national level the Commission is working with our federal and state co-regulators to enforce laws like the Patriot Act, Gramm-Leach-Bliley Act, Sarbanes-Oxley Act and Homeland Security Act, which would help keep money made from criminal activities from leaving our borders.

### Enforcement Headline Summaries (continued from page 1)

#### **(2/20/03) Mark Steven Cooper and April Sunday Rutledge Cooper Pleads Guilty - Daystar Assembly of God... (Mark Steven Cooper....sentenced 31 years) (Autauga County)**

Honorable Randall Houston, District Attorney for the Nineteenth Judicial Circuit, Honorable Joseph P. Borg, Director of the Alabama Securities Commission and Prattville Police Chief Alfred W. Wadsworth announce today that Mark Steven Cooper and his wife April Sunday Rutledge Cooper pled guilty, before the Honorable Ben Fuller, Circuit Judge for the Nineteenth Judicial Circuit, to charges surrounding financial activities involving the proposed expansion of Daystar Assembly of God. Mark Steven Cooper was also sentenced today, but sentencing for April Sunday Rutledge Cooper will be held on April 4, 2003.

Mark Steven Cooper pled guilty to 1 count of Sale of Securities by an Unregistered Agent; 1 count of Sale of Unregistered Securities; 1 count of Securities Fraud; 7 counts of Theft of Property 1. April Sunday Rutledge Cooper pled guilty to 1 count of Theft of Property 1.

Mark Steven Cooper was sentenced to 31 years in the penitentiary, fined \$35,000 and ordered to pay court costs, \$10,000 to the Alabama Crime Victims Compensation Fund, and restitution of \$2,529,262.87...

(continued on page 3)

Enforcement Headline Summaries (continued from page 2)**(1/30/03) Harris and Ginger Grant arrested...Securities Fraud...Theft (Daphne)**

Joseph P. Borg, Director, Alabama Securities Commission and Joseph H. Hall, Daphne Alabama, Police Chief, announced today the filing of warrants and the arrest of Harris Carl Grant, Jr. and Ginger Kay Grant, residents of Daphne, Alabama for Securities Fraud, and 1<sup>st</sup> Degree and 2<sup>nd</sup> Degree Theft charges.

The preliminary investigation disclosed that Harris and Ginger Grant obtained more than \$60,000.00 from Alabama residents based on representations that they would invest the money in a new invention to be used in the logging industry.

**(1/24/03) Kenneth and Donna Brown Arrested in Oklahoma and returning to Tuscumbia**

The Honorable Gary Alverson, District Attorney, 31st Judicial Circuit, Colbert County and the Honorable Joseph P. Borg, Director, Alabama Securities Commission announced today the arrest of Kenneth and Donna Brown of Kentucky. The Bryan County Sheriff's Office in Oklahoma arrested the Browns and notification was received on February 18, 2003 that they will be transported back to the city of Tuscumbia, Alabama in the near future. A trial will be scheduled at a later date.

The Alabama Securities Commission opened an investigation of Memlock Systems based on a complaint from a resident, of Muscle Shoals, Alabama. Kenneth and Donna Brown, the alleged owners of a company called Memlock Systems, induced several Alabama residents to invest a total of \$150,000. The Browns represented that the investment consisted of the purchase of discounted US Treasury Bills and mutual funds. The Brown's company, Memlock Systems, was allegedly an offshore international business corporation located in the Turks and Caicos Islands. The investment funds from the Alabama residents and several other investors outside of Alabama were wire transferred to the Memlock Systems bank account located offshore. None of the Alabama investors in the program received any returns as represented.

**(1/16/03) Jordan P. Olshan...pled guilty...scam involves over \$50 million... (Birmingham)**

Honorable Alice H. Martin, United States Attorney for the Northern District of Alabama, and the Honorable Joseph P. Borg, Director of the Alabama Securities Commission, announced today that Jordan P. Olshan, age 41, and a resident of Birmingham pled guilty to two counts of mail fraud and one count of making a false individual tax return. A sentencing date was not set.

Borg said, "the joint efforts and cooperation of the United States Attorney, the Federal Bureau of Investigation, Internal Revenue Service and the Alabama Securities Commission to investigate and prosecute Mr. Jordan have put an end to a scam that cheated many Alabamians and other investors out of their life savings--the total amount involved was estimated to be over \$50 million."

Investors fell prey to Olshan's claim that his family had run a legitimate mortgage investment business for over 72 years.

(Enforcement Headline Summaries continued on page 4)

Enforcement Headline Summaries (continued from page 3)

The business would collect money from investors and lend it for a profit to people who could not qualify for or didn't want a conventional home loan from a bank. Olshan promised investors that they would receive most of the profits and many of the loans charged up to 18% interest.

**(1/9/03) Robert Lee Dare surrendered...his son arrested also... (Enterprise)**

...Dare surrendered to the Houston County Sheriff's Department on January 6, 2003. Dare is being held at the Houston County jail and bond has been set at \$250,000.

The arrest was the result of a 26-count indictment for Robert Lee Dare involving fraud in the sale of securities, handed down by the October 2002 session of the Houston County Grand Jury. Dare allegedly sold interests in non-existent, unregistered investment opportunities involving Bank Debentures, and the Trading of Foreign Currency. Each count is considered a Class C Felony which could include fines, restitution and up to 10 years of imprisonment.

Joseph Borg, the Director of ASC said, "The case was investigated by the Enforcement Division of the Alabama Securities Commission (ASC), Federal Bureau of Investigation, and the Houston County law enforcement officials. Robert Lee Dare is the alleged leader of scams that have covered numerous states throughout the country.

... Charles R. Dare, the son of Robert Lee Dare, was also involved. Charles Dare was arrested December 23, 2002 and released after posting bond set at \$250,000."

**(1/2/03) Charles R. Dare arrested on indictment. (Enterprise)**

Dare surrendered to the Houston County Sheriff's Department on December 23, 2002. Dare was released after posting bond, which was set at \$25,000.

The arrest was the result of a 15-count indictment for Charles R. Dare involving fraud in the sale of securities, handed down by the October 2002 session of the Houston County Grand Jury. Dare allegedly sold interests in non-existent, unregistered investment opportunities involving Bank Debentures, and the Trading of Foreign Currency.

**(12/05/02) Creel pled guilty to wire fraud...faces five years (Prattville)**

Leura Garrett Canary, United States Attorney for the Middle District of Alabama, and Joseph P. Borg, Director, Alabama Securities Commission jointly announced that on December 5, 2002, George Dewey Creel, age 50, of Autauga County, pled guilty in United States Magistrate Court before Magistrate Judge Susan Russ Walker to two counts of wire fraud in violation of Title 18, United States Code, Section 1343.

Mr. Creel pled guilty to devising a scheme and artifice to defraud investors by making false representations that he would invest their money in commercial ventures through his business Creel Builders, Inc. Over a two year period, he defrauded investors of approximately \$699,000.00...

Mr. Creel faces a maximum possible sentence of not more than five years and not more than the greater of twice the gross gain or gross loss caused by his scheme to defraud, or both. He will also face a possible restitution order for repayment of the monies to the investors he defrauded. Sentencing date has yet to be scheduled...

This case was investigated by agents from the Alabama Securities Commission and the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorney J. B. Perrine.

(continued on page 5)

Enforcement Headline Summaries (continued from page 4)**(10/28/02) Michael Carreca ...sentenced to 15 years...must pay restitution (Prattville)**

...Michael Eugene Carreca, of Prattville, Alabama appeared today before the Honorable Judge Ben A. Fuller and was sentenced to 15 years in the penitentiary, split to serve 3, and to pay restitution to victims of a securities scam.

Carreca will spend 3 years in the penitentiary and will be placed on probation at the completion of his serving 3 years. He was ordered to pay approximately \$110,000 in restitution to victims; pay \$5,000 to the Alabama Crime Victim's Compensation Fund; a \$5,000 fine; and \$1750 in court costs. After sentencing Carreca was remanded into custody of the Autauga County Sheriff to begin serving his sentence.

Borg said, "Here is an example where white collar crime didn't pay!"...

**(08/27/02) Bohannon pled guilty...faces 5 years & fine up to \$250,000 (Montgomery)**

Leura Garrett Canary, United States Attorney for the Middle District of Alabama, FBI Special Agent in Charge Timothy Munson, and Joseph P. Borg, Director of the Alabama Securities Commission, announced that on August 27, 2002, James M. Bohannon, age 63, was sentenced for his participation in an investment scheme wire fraud by a federal Judge sitting in the Middle District of Alabama. Mr. Bohannon was sentenced to 24 months in prison, 3 years supervised release, and to pay restitution of \$2,378,605.00.

Bohannon was originally charged in a one count information of having participated in a wire fraud investment scheme to defraud seven individuals in violation of 18 United States Code, Section 1343. Mr. Bohannon pled guilty to that charge on April 3, 2002. As part of the agreement that ended in the sentencing today Bohannon will also plead guilty to failure to register as a securities agent and securities fraud in State court today. Both charges are felonies and the state will recommend the sentence on the State charges be the same as and run concurrent with Bohannon's federal sentence.

**(08/20/02) Frank Johnson's seized assets returned to victims... \$1.8 million (Montgomery)**

...the Alabama Securities Commission is in the process of issuing and mailing checks to those entitled to receive a pro rata distribution from their investments in the International Benevolent Foundation- an illegal Ponzi Scheme shut down by regulators.

Borg said, "The International Benevolence Foundation and its Trust fund IBFT was permanently closed for committing fraud in April 1999...IBFT's founder, Frank R. Johnson...served 33 months prison time for wire fraud involving unregistered securities and the operation of an illegal Ponzi scheme... Approximately \$14 million was taken in by IBF from over 9,500 investors nationwide and from 14 foreign countries..."

Frank Ray Johnson was found guilty of "wire fraud" in Federal Court after an investigation by the Commission and the FBI...authorities seized Johnson's personally owned bank accounts, vehicles and real estate located in Alabama. Funds were also seized from several offshore accounts. After disposing of the assets, the amount of funds available for disbursement totaled approximately \$1.8 million. Mr. Johnson began the IBFT scheme in Montgomery, Alabama in 1996 and it was closed in 1999 through enforcement actions taken in a cooperative effort by the Alabama Securities Commission (ASC), the Alabama Attorney General's Office, the Federal Bureau of Investigation and the Internal Revenue Service.

**(08/13/02) Nine arrested ...for financial activities...Daystar Church (Prattville)**

... announced the arrest of Mark Steven Cooper, Elaine Jenkins Turner, Donald Caton, Leonard Miller, William Till, David Wayne Gordon, Nancilu Carpenter, April Sunday Rutledge Cooper, and Kelly Vickers, pursuant to indictments returned by the August 2002 Autauga County Grand Jury, involving an investigation of the financial activities involving the expansion of Daystar Assembly of God Church.

(Enforcement Headline Summaries continued on page 6)

Enforcement Headline Summaries (continued from page 5)

The Alabama Securities Commission Enforcement Division opened its investigation in the Daystar matter in July, 2001. The investigation revealed the alleged misappropriation of funds raised by Daystar Assembly of God Church in the sale of certificates of deposit and loans proceeds for development of the church by Mark Stephen Cooper, Elaine Jenkins Turner, Donald Caton, Leonard Miller, William Till, April Sunday Rutledge Cooper and Kelly Vickers. The investigation further showed alleged fraud perpetrated by these individuals as well as Nancilu Carpenter against local banks and lending institutions. Finally, the investigation revealed alleged violations of the Alabama Securities Act and Theft of Property in the 1<sup>st</sup> Degree from the sale of promissory notes of a company called Qtrex by Elaine Turner and David Wayne Gordon. Total loss from all of these alleged acts is approximately \$3 million dollars.

**(07/30/02) Clark arrested...President of Fabtec, Inc...alleged theft of \$2.7 million. (Wetumpka)**

...ASC...announced today the arrest of Francis Clark, Sr., formerly of Montgomery, Alabama. Clark, who currently resides in South Carolina, and is currently held in the Elmore County jail under a \$310,000.00 bond.

Clark was arrested by Deputies of the Elmore County Sheriff's Office, in Wetumpka on Friday, July 26, 2002. The arrest was a result of 61 indictments returned by the July 2002 Session of the Elmore County Grand Jury. Clark was indicted on 25 counts of Theft of Property in the 1<sup>st</sup> degree; 26 counts of Fraud in Connection with the Sale of Securities; 5 counts of Selling Unregistered Securities; and 5 counts of Selling Securities Without Benefit of Registration as a Securities Agent. It is alleged that Clark took in approximately \$2.7 million from local and foreign investors and diverted the majority of the funds for his personal use.

The Alabama Securities Commission's Enforcement Division began investigating Clark, the former President of the manufacturing company Fabtec, Inc., in December of 2000. Fabtec Inc., was a subsidiary of Mitsubishi International Corporation located in the Wetumpka, Alabama area. Complaints that led to the investigation alleged Clark spent corporate funds on personal items such as country club dues or his hobby of stock car racing.

**(06/24/02) James C. Hulsey, III pled guilty to charges of Securities Fraud... (Tuscaloosa, AL)**

...ASC announced today...James C. Hulsey, III of Tuscaloosa, Alabama pled guilty to charges of Fraud in Connection with the Sale of Securities. Hulsey, who was previously employed by Hulsey & Associates/Walnut Securities in Tuscaloosa, was sentenced to three (3) years in the state penitentiary, which was suspended, and placed on three (3) years probation, ordered to pay the costs of court and any restitution that may be determined by the 6th Judicial Court, Tuscaloosa County, Alabama. Also, Hulsey has been permanently barred from selling securities in the state of Alabama.

An investigation by the Enforcement Division of the Alabama Securities Commission indicated Hulsey made over 1,000 unauthorized trades totaling approximately \$19 million, using client's assets.

Borg said, "In this case the client's stock assets were bought and sold into high risk investments often termed as Penny Stocks. Penny Stocks are highly speculative shares that are priced for as little as \$1 per share. As a result of these unauthorized trades clients lost millions of dollars."

**(06/05/02) Spruiell pled guilty...must pay \$50,000 restitution (Cropwell, AL)**

...ASC...announced today that Joseph Edward Spruiell, a resident of Cropwell, Alabama pled guilty to Theft of Property in the First Degree, involving the sales of securities, before the Honorable Judge William E. Hereford.

Spruiell was sentenced to twenty years in prison then placed on probation contingent upon a \$50,000 restitution payment to the investors and additional payments in the amount of \$1,000 per month.

An investigation conducted by the Alabama Securities Commission disclosed that Spruiell obtained approximately \$350,000 from Alabama residents. Spruiell represented that he would invest funds on behalf of his clients with a company known as Life Benefit Annuity Marketing. ###

## EDUCATION AND PUBLIC AFFAIRS



Dear Fellow Alabamians;

This has been a very successful year for the promotion of financial education for variety of citizens throughout the state of Alabama.

The informed investor no matter what age, profession or level of wealth has a better chance of sharing in our great nation's prosperity and is less likely to fall prey to securities fraud.

As for Public Affairs, ASC has enjoyed statewide and nationwide publicity on a number of issues such as fraud prevention and of course the war on white collar crime.

Sincerely,

Dan Lord  
Education and Public Affairs Manager

### Financial Literacy Programs for Public and Private Schools (K-12)

The Financial Literacy program offers two professionally developed curriculum books, free of charge, to any interested high school public or private school teacher at no expense. The first publication released was the Basics of Saving and Investing teaching guide. This guide can be and is presently used in various business, math, and social studies courses. During the last part of 2001 high school economics teachers throughout the state of Alabama received the new publication called Personal Finance in the Economics Classroom. The new publication meets specific curriculum criteria for Alabama Public Schools. These publications were developed jointly by securities regulatory and business organizations such as IPT, NASAA, NASD and NICE. ASC provides training and information to teachers requesting assistance in the use of these publications.

### Financial Education Programs for All Citizens of Alabama.

In addition to providing printed information to any citizen who calls or writes we have provided Fraud Prevention and Informed Investor Education to all segments of society in Alabama. Some of the organizations receiving presentations and training upon request this year include AARP (mature citizens), NAIC (investor clubs), Commercial Banking Industry, Rotary Clubs, Kiwanis Clubs, and the Better Business Bureau. Also, we are working with the Alabama Cooperative Extension System and have participated in an annual conference called Unlocking & Sharing Resources for Urban Families in the Huntsville area and Protecting Elders from Financial Abuse in the Dothan area.

(Education and Public Affairs continued on page 8)

### Why is the Need for Financial Education at a Critical Point?

The amount of wealth stolen through securities fraud in Alabama and the United States is in the billions. Scams have stolen millions of dollars from citizens in Alabama and most of them cover many other states and countries. The size of investment loss in scams typically range from \$1-\$500 million. With few exceptions, victims lose most or all of their money.

Recent surveys indicate the youth today do not have the personal finance skills and knowledge to save, invest and plan for a future retirement at a time when corporate and government retirement pensions are decreasing.

### Recent Education Activities/Presentations

Presentations about Services and Fraud Prevention: Kiwanis, Rotarians, Senior Citizens Groups, Retired Railroad Clubs, Extension Clubs, Senior Education Clubs ....

Legal and Business Schools: Director has addressed MBA students and legal students at schools to include Auburn University, the Cumberland School of Law, Jones School of Law...

Professional Education Seminars: Association of Certified Fraud Examiners, Financial Planning Associations, Institute of Internal Auditors, Society of CPAs, ...

Department of Education: Presentation of ASC services to high schools and free financial curriculum materials to Business Technical Teachers at state convention.

High Schools: Upon request give financial education presentations to students and teacher. Mentor a local high school investment club in Montgomery and provide financial education day at the ASC for students.

State Agencies: Provided service and finance education seminars to extension agents in Huntsville and Mobile. Worked with the extension agents in a joint effort to teach senior citizens about fraud prevention in Dothan. Worked with the Department of Senior Services at events in Dothan and to promote fraud prevention through literature and free video presentations.

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## Public Affairs Program

ASC has enjoyed both statewide and national publicity this year. News releases are issued about arrests and convictions and often printed in newspapers throughout the state of Alabama. Radio, television and printed media are used to provide investor alerts to Alabamians and advice about fraud, like the "Top Ten Scams" list each year. The ASC website has grown to a noted source of information about securities fraud and enforcement actions and a vehicle to find many sources of financial education (visit the ASC website at [www.asc.state.al.us](http://www.asc.state.al.us)).

National and local media have come to ASC for information on topics like the war on white collar crime and advice about fraud prevention, enforcement actions, financial education, and saving or investing issues. The Director of ASC has appeared on numerous national television news shows like C-SPAN, CNN, and National Press Club which air on most of the major networks in the United States and many in Canada. Articles and comments in news media include an article in Forbes and numerous articles in newspapers like the Wall Street Journal, New York Times and USA Today. Mr. Borg has participated in television and talk shows on numerous occasions in Alabama to spread the word about fraud prevention and address key issues in the securities industry.

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# ALABAMA SECURITIES COMMISSION

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**THE ASC MISSION IS TO PROTECT INVESTORS FROM SECURITIES FRAUD  
AND PRESERVE LEGITIMATE CAPITAL MARKETS IN ALABAMA.**

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## FREE SERVICES FOR ALABAMIANS:

- ◆ ACCESS TO NEW WEBSITE: [www.asc.state.al.us](http://www.asc.state.al.us).
- ◆ FRAUD PREVENTION DOWNLOADS AND MATERIALS.
- ◆ FRAUD PREVENTION INFORMATION AND TRAINING.
- ◆ PRESENTATIONS TO GROUPS.
- ◆ CHECK THE REGISTRATION/LICENSING AND  
BACKGROUND OF PERSON SELLING SECURITIES  
OR FINANCIAL ADVICE.
- ◆ CHECK TO SEE IF THE SECURITIES OFFERED ARE  
REGISTERED.
- ◆ ACCESS TO BASIC AND ECONOMICS CURRICULUM.
- ◆ CALL AND REPORT A SUSPECTED SECURITIES SCAM.
- ◆ ENFORCE THE ALABAMA SECURITIES ACT.



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Contact ASC for inquiries regarding securities broker-dealers, agents, investment advisors, investment advisor representatives, 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.state.al.us](mailto:asc@asc.state.al.us)

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Montgomery, Alabama 36130-4700

Visit the new ASC website at: [www.asc.state.al.us](http://www.asc.state.al.us).

The Alabama Securities Commission is a member of the North American Securities Administrator Association (NASAA), an organization of the 66 state, provincial and territorial securities administrators in the U.S., Canada, Mexico and Puerto Rico.

From the Director

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,

A handwritten signature in blue ink, appearing to read "Joseph P. Borg", written over a horizontal line.

Joseph P. Borg  
Director