

# ALABAMA SECURITIES COMMISSION

## LEGISLATIVE UPDATE



### *Investor Education and Fraud Prevention Outreach Program*

Report of Investor Education and Fraud Prevention Activities  
(Fiscal Year 2009, October 1, 2008 - September 30, 2009)

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Visit [www.asc.alabama.gov](http://www.asc.alabama.gov) to learn valuable tips to protect yourself from securities fraud and to learn how to make an informed investment decision. Other information includes agency directory, free investor education and fraud prevention materials, news releases, administrative actions, statutes, regulations and policies, filing requirements, complaint and presentation request forms, helpful website links and more.

***Investor Education and Fraud Prevention Outreach Program***

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## *Investor Education and Fraud Prevention Outreach Program*

### **Director's Comments**

The Alabama Securities Commission (ASC) advocates and promotes a vigorous Investor Education and Fraud Prevention Outreach program to help assure that Alabama's "main street" investors—the moving force that propels our state's economic vitality—have the knowledge and tools necessary to build and safeguard their financial futures. The Commission's investor education and fraud prevention outreach program serves as the first line of defense against financial crimes that target our citizens' personal financial assets. The ASC's Education and Public Affairs Office delivers timely, insightful investor protection information to all segments of our state's population. During the past fiscal year, investor and fraud prevention education events were conducted at 70 locations and more than 5,400 Alabama citizens received valuable information to help safeguard their estates, to better protect themselves from financial predators and the knowledge to make informed investment decisions.



*Joseph P. Borg*

Outreach efforts targeted three specific age groups, each with its own distinct financial/investment characteristics: high school and college youth; working adults in affinity groups; and, seniors 50 years of age and older. Successful youth outreach was achieved through continued partnerships with the Department of Education, Alabama Jump\$tart Coalition and the Alabama Cooperative Extension System (ACES). Through combined resources and by assisting these agencies to apply for and secure grants directly from the Investor Protection Trust in Washington, D.C., Alabama's youth received personal finance and investor education in several existing business and technical curricula in grades 7-12. The Commission partners with ACES to host numerous Estate Planning Seminars throughout Alabama to reach working adults and retirees. The Commission's partnership with the Alabama Department of Senior Services, the Attorney General's Office of Consumer Protection, ACES Estate Planning program and several professional and civic organizations provided thousands of retirees the facts they need for successful money management, wise investing and recognizing and avoiding financial scams. The Alabama Securities Commission is dedicated to helping Alabama citizens build and protect their personal financial assets so they can enjoy their retirement years in relative financial comfort.



*Dan Lord, Manager*

### ***ASC EDUCATION CORNER*** ***Promoting Investor Protection*** ***Through Instruction and Preparation***

The ASC's Education and Public Affairs Office serves as a strong, pre-emptive force to protect citizens of Alabama from becoming victims of securities fraud and enhances their ability to make informed investment decisions through educational presentations, free literature and information.



*Clint Niemeyer, Public Affairs Specialist*

## **Estate Planning for Working and Retired Adults**

The Alabama Securities Commission collaborated with the Alabama Cooperative Extension System (ACES) to continue hosting Estate Planning Seminars targeting Alabama citizens ages 50 and older throughout the state in FY 2009. ASC worked closely with ACES to apply for and acquire a \$10,000 grant from the Investor Protection Trust (IPT) in Washington, D.C., to conduct investor education and fraud prevention outreach events during the fiscal year in counties across Alabama.

ASC Education and Public Affairs staff gave insightful, informative presentations on the mission of, and services offered by, the Commission to Alabama citizens. Also, seminar participants learned “What Seniors Should Know to Make Informed Investment Decisions,” and received several useful handouts on relevant financial education topics. The presentations explained to retirees and senior investors how their personal financial assets—often the largest single portion of their estates—are targeted by financial predators, the facts they need to avoid unsuitable financial offers and how to recognize the elements of investment fraud. Joining ASC presenters during the year at each event was Dr. Robert A. Tufts, Auburn University Associate Professor and estate planning attorney. Dr. Tufts spoke of the benefits of long-term estate planning and the various components of a well-structured estate plan, such as powers of attorney and advance directives for health care, among others. During FY2009, Estate Planning Seminars reached citizens in Autauga, Bibb, Conecuh, Cullman, Choctaw, Jackson, Lee, Macon, Pickens and St. Clair Counties.

## **Investor Education and Fraud Prevention for Seniors**

One of the Commission’s most successful continuing partnerships for senior education and outreach is with the Alabama Department of Senior Services (ADSS) and its network of Area Agencies on Aging in many counties of Alabama’s regional planning and development districts. ASC’s partnership with ADSS provides staunch advocacy for the overall social, medical and financial health of Alabama’s senior citizens. This year’s events reached more than 3,000 seniors across the state. The following list of events highlights senior outreach efforts during the year:

- State Medicare Patrol (SMP) Fraud Summit— “Guarding Against Scams and Fraud.” These popular events were held in conjunction with local Better Business Bureaus and other professional organizations to reach seniors, their families and caregivers, to teach the knowledge necessary to avoid becoming victims of crime, methods to use in order to protect against waste, fraud and abuse and where to get help for seniors who may have been victimized.

- Caregiver and Elder Abuse Workshops—Highly qualified ASC staff joined ADSS personnel to make informative presentations to nursing, nursing home/assisted living, home health, social services, legal and other senior care providers on how to recognize and address specific problems that their senior clients may face, such as elder abuse, financial fraud and exploitation, identification theft, estate planning and other legal issues.

- Elder Abuse Awareness Rally — ASC joined forces with ADSS and the Alabama Civil Justice Foundation at the Alabama State Capitol to bring attention to the specialized legal, social, health and medical needs of Alabama seniors and to send a powerful message that state and federal agencies stand ready, willing and able to use every resource available to protect Alabama’s seniors from circumstances that might adversely affect their long-term safety, happiness and financial well-being.

- “Let’s Talk Turkey” About Medicare Tour — ASC partnered with ADSS to teach seniors throughout Alabama the most current and critical information concerning Medicare coverage and how to shield themselves from financial fraud often hidden behind too-good-to-be-true healthcare “options” being touted to seniors.

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## **Investor Education and Fraud Prevention for Seniors**

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- For the fifth consecutive year, ASC staff participated in the 2009 Senior Expo at the Von Braun Civic Center in Huntsville. This annual event brings together thousands of senior citizens from across northern Alabama to see the many products and services available to them from dozens of professional service providers. ASC staff members were on hand to answer individuals' questions and concerns and to distribute a wealth of personal finance, investor education and fraud prevention materials to hundreds of seniors during the day-long event.

- ASC staff, partnering with AARP, participated in the Jackson County Senior Expo in Scottsboro. This free event hosted several hundred seniors from Jackson, DeKalb, Madison and Marshall Counties in north Alabama and was designed to give those 50 years and older information about various resources available to them that could help safeguard their health, safety and financial independence. ASC also partnered with AARP specialists to host several financial workshops in central and south Alabama to discuss important financial and fraud prevention topics and to answer questions from seniors about saving, borrowing, investing, reverse mortgages, investment fraud, retirement and pension issues.

## **ASC Military Outreach Program and Special Website Area**

“Protect Alabama Troops” (PATS) is an information-based resource, accessible on ASC’s webpage, [www.asc.alabama.gov](http://www.asc.alabama.gov), consisting of appropriate, practical news, tips and advice for Alabama’s active-duty, guard and reserve military, as well as retired military and veterans. The site is specifically designed to assist them and their family members to make informed investment decisions and avoid becoming victims of financial fraud before, during and after deployment and in the transition to military, retired or civilian life.

Increasingly, military personnel are prominent targets for con artists who use aggressive and often illegal sales practices to entice service men and women to spend their savings on questionable or unsuitable financial products and services. PATS will function as a primary information resource for military personnel who want to keep on the right track financially and help protect themselves and their families from financial abuses and outright fraud. Service men and women can use the PATS link to learn valuable information concerning inappropriate sales practices, affinity fraud, excessive investment fees and unsuitable financial products, among many other relevant topics.

Informative and sensible reading resources recommended for military personnel and their dependents include free services offered by the ASC, tips for making sound investment decisions, red-flag phrases for investment fraud and the Commission’s annual list of popular investment scams. Also available are online versions of notable investment pamphlets and a new military outreach guide developed by Kiplinger’s Personal Finance. All material on the PATS site is free of charge and may be reprinted and used to educate family members about making informed investment decisions and recognizing and avoiding fraudulent practices. Hard copies of all publications may be ordered by contacting the Commission’s Education and Public Affairs Office; military installation/unit trainers and educators may request larger quantities of materials to enhance military and dependent personal finance education programs. Highly qualified ASC staff members are available to visit installations/units upon request and conduct seminars on a variety of topics including personal finance, investor education, and fraud prevention. ASC may be able to assist military trainers or educators to apply for grant funds, in support of investor education and fraud prevention events, through the Investor Protection Trust (IPT) in Washington, D.C.

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## *Investor Education and Fraud Prevention Outreach Program*

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### **ASC Military Outreach Program and Special Website Area**

Director Borg said, “We believe in our military and have supported recent deployments of key ASC employees, who are members of the Guard/Reserves, in support of Middle-East defense initiatives. Our Education and Public Affairs manager has over 25 years of active, guard, enlisted and commissioned service and is the primary contact for an international military outreach program and working as a non-profit partner with the Department of Defense, Financial Readiness Campaign. If we get inquiries from any military personnel, in any status, or their dependents, you can be assured this Commission will put our best foot forward to help provide information or investigate complaints and concerns as necessary.”

Military personnel and their dependants who may be considering investment opportunities can contact the ASC, toll-free, 1-800-222-1253, with inquiries about the registration status of financial products, licensing requirements for those individuals or companies offering or selling financial products or services to military families in Alabama, to lodge a complaint, to report suspected fraud or to receive consumer information.

### **Investor Education for Visually Impaired Alabamians**

The Alabama Securities Commission’s Office of Education and Public Affairs, in September 2009, partnered with the Alabama Department of Rehabilitation Services’ OASIS Program at Snead State Community College in Boaz, Alabama. The Older Alabamians System of Information and Services (OASIS) is a statewide program of 20 vision loss support groups working collectively to enhance the quality of life for Alabama citizens, 55 years and older, who have either partial or total vision loss. The OASIS program helps equip vision impaired Alabamians to participate in all life activities, even those thought to be exclusively for people with normal vision. OASIS support group meetings are devoted not only to topics related to vision loss, but to a variety of other life concerns, with the goal to encourage and equip people with vision limitations to return to former interests and to live a full life.



To help ensure that these vision impaired individuals in the Marshall County, Alabama area have the necessary tools to advance their financial literacy, maintain control of their personal finances during challenging financial times and have the most current and accurate information available to help safeguard them from financial fraud, highly qualified ASC staff presented “What Seniors Should Know to Make Informed Investment Decisions.” The presentation focused on the various elements of financial fraud, a discussion of how to identify fraudulent practices and the steps to take if fraud is suspected or perpetrated against group members or their families. ASC staff answered individual inquiries and distributed to participants a wealth of personal finance, investor education and fraud prevention materials. Some of the training materials were customized and printed in very large text for this presentation.

## *Investor Education and Fraud Prevention Outreach Program*

### Summary of Key Investor Education Activities/Presentations (Fiscal Year 2009, October 1, 2008 - September 30, 2009)

| <u>Date</u> | <u>Place</u>  | <u>Number</u> | <u>Audience Type</u>                          |
|-------------|---|---------------|---|
| 9/29/2009   | Montgomery, AL - Joint Leadership Dev. Conf         | 260           | High school students - four seminars          |
| 9/25/2009   | Cullman, AL - ACES Estate Planning Event            | 40            | Senior citizens from the local community      |
| 9/11/2009   | Tuskegee, AL - ACES Estate Planning Event           | 14            | Senior citizens from the local community      |
| 9/10/2009   | Boaz, AL at Snead Comm. College for OASIS           | 14            | Seminar for citizens with vision impairment   |
| 9/10/2009   | Mobile, AL - ARSEA Annual Conference                | 120           | Seminar conducted for retired state employees |
| 9/9/2009    | Mobile, AL - ARSEA Annual Conference                | 100           | Talk with retired state employees at booth    |
| 8/28/2009   | Autaugaville, AL - ACES Estate Planning Event       | 60            | Senior citizens from the local community      |
| 8/21/2009   | Carrollton, AL - ACES Estate Planning Event         | 25            | Senior citizens from the local community      |
| 8/14/2009   | Birmingham, AL at UAB campus                        | 65            | Certified Fraud Examiners - Continuing Ed     |
| 8/6/2009    | Pell City, Jeff State College ACES Estate Planning  | 24            | Senior citizens from St. Clair County area    |
| 7/21/2009   | RSA Plaza, Montgomery, AL                           | 30            | AL IE supporters and Mr. Ketchum from FINRA   |
| 7/21/2009   | Birmingham BJCC, Teachers Conference                | 100           | High school teachers from across Alabama      |
| 7/20/2009   | Birmingham, AL -Federal Reserve                     | 20            | High school teachers from across Alabama      |
| 6/26/2009   | Woodstock, AL - ACES Estate Planning Event          | 7             | Senior citizens from Bibb/Tuscaloosa Counties |
| 6/15/2009   | Gadsden, AL with Area Council on Aging              | 100           | Senior citizens from Choctaw County area      |
| 6/15/2009   | Montgomery, AL at the State Capitol with ADSS       | 82            | Senior citizens from Central Alabama          |
| 6/12/2009   | Tuskegee with AL S. Central AL Dev. Comm.           | 20            | Professional caregivers for senior citizens   |
| 6/10/2009   | Butler, AL - ACES Estate Planning Event             | 15            | Senior citizens from Choctaw County area      |
| 6/8/2009    | Montgomery, AL - Trenholm Tech                      | 25            | High school students in summer program        |
| 6/3/2009    | Dothan, AL at the SARCOA Center                     | 82            | Senior citizens/residents from 7 SE counties  |
| 5/28/2009   | Montgomery, AL - Eastdale Assisted Living           | 43            | Senior citizens/residents                     |
| 5/27/2009   | Orange Beach, AL - ADAA (District Attorneys)        | 65            | Victim Services Officer Counselors            |
| 5/27/2009   | Opelika, AL - Area Agency on Aging                  | 70            | Senior citizens from the Auburn/Opelika area  |
| 5/21/2009   | Florence-Lauderdale, AL - Coliseum with BBB         | 60            | Senior citizens from the local community      |
| 5/15/2009   | Scottsboro, AL - ACES Estate Planning Event         | 15            | Senior citizens from the Scottsboro area      |
| 5/14/2009   | Montgomery, AL - Dept of Edu., Career Tech          | 9             | In-service financial training to ASAs         |
| 5/9/2009    | Greenville, AL - Pilgrims Baptist Church            | 20            | Area church members and leaders               |
| 5/7/2009    | Birmingham, AL - NAIFA Sales Symposium              | 300           | Financial Advisors and insurance sales        |
| 5/6/2009    | Hayneville, AL - Lowndes County Senior Center       | 125           | Senior citizens from the Hayneville area      |
| 5/5/2009    | Huntsville, AL - Senior Expo 09 at Von Braun Center | 450           | Senior citizens from North Alabama region     |
| 5/1/2009    | Decatur, AL - Scam Jam event with NARCOG            | 200           | Senior citizens from the Decatur area         |
| 4/28/2009   | Tuscumbia, AL - ARSEA chapter meeting               | 45            | Retired state employees                       |
| 4/24/2009   | Mobile, AL - ARSEA chapter meeting                  | 80            | Retired state employees                       |
| 4/22/2009   | Selma, AL - ADSS Fraud Summit                       | 26            | Senior citizens from the local area           |
| 4/15/2009   | Birmingham, AL - ARSEA chapter meeting              | 50            | Retired state employees                       |
| 4/8/2009    | Montgomery, AL - RSA Plaza, at the Commission       | 18            | Shades Valley HS field trip                   |

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## *Investor Education and Fraud Prevention Outreach Program*

### Summary of Key Investor Education Activities/Presentations (Fiscal Year 2009, October 1, 2008 - September 30, 2009)

*(Continued from page 5)*

| <u>Date</u>  | <u>Place</u>                                   | <u>Number</u> | <u>Audience Type</u>                        |
|--|--|---------------|---|
| 4/8/2009   | Chatom, AL - ARSEA chapter meeting             | 15            | Retired state employees - teachers          |
| 4/7/2009   | Montgomery, AL - ARSEA chapter meeting         | 125           | Retired state employees                     |
| 4/7/2009   | Montgomery, AL - Capitol City Club             | 45            | Montgomery Estate Planning Council          |
| 4/1/2009   | Tuscaloosa, AL - YMCA                          | 20            | Wise Men business group members             |
| 3/19/2009  | Tuscaloosa, AL - Senior Citizens Center        | 80            | Senior citizens from Tuscaloosa             |
| 3/17/2009  | Montgomery, AL - Montgomery Country Club       | 12            | Health Underwriters Association             |
| 3/16/2009  | Wetumpka, AL - Shoney's restaurant             | 22            | Wetumpka area Lions Club                    |
| 3/13/2009  | Evergreen, AL - ACES Estate Planning event     | 20            | Senior citizens from the Evergreen area     |
| 3/10/2009  | Russellville, AL - ADSS Fraud Summit           | 225           | Senior citizens from the Russellville area  |
| 3/5/2009   | Prattville, AL - Doster Civic Center           | 35            | Prattville Lions Club members               |
| 2/27/2009  | Mobile, AL - Area Agency on Aging              | 350           | Senior citizens from the Mobile area        |
| 2/20/2009  | Montgomery, AL - Shiloh Mission Baptist Church | 260           | Senior citizens from the Greenville area    |
| 2/5/2009   | Hoover, AL - Public Library                    | 80            | Keynote at NAPFA - adults from local area   |
| 2/3/2009   | Clanton, AL - 1st United Methodist Church      | 60            | Chilton County Chamber of Commerce          |
| 2/3/2009   | Florence, AL - Marriott Civic Center           | 35            | Shoals area Civitans                        |
| 1/31/2009  | Greenville, AL - Pilgrim Rest Baptist Church   | 20            | Adult church members and pastors            |
| 1/21/2009  | Scottsboro, AL - Goose Pond Civic Center       | 50            | Seniors from the local community            |
| 1/15/2009  | Anniston, AL - Classic in Noble                | 25            | NAIFA - insurance and investment advisors   |
| 1/7/2009   | Montgomery, AL - Piccadilly Cafeteria          | 35            | Alabama Power retirees                      |
| 12/9/2008  | Wetumpka, AL at Shoney's                       | 20            | Rotarian Club members                       |
| 12/4/2008  | Opelika - Saugahatchee Country Club            | 60            | Adult members of Kiwanis Club               |
| 12/1/2008  | Montgomery, AL - United Methodist Church       | 35            | Adults middle age to Senior from local area |
| 11/20/2008   | Birmingham, AL - Botanical Gardens             | 100           | ADSS Medicare Van Tour for seniors          |
| 11/19/2008   | Tuscaloosa, AL - Senior Center with ADSS       | 300           | ADSS Medicare Van Tour for seniors          |
| 11/18/2008   | Cullman, AL - Northbrook Baptist Church        | 60            | ADSS Medicare Van Tour for seniors          |
| 11/17/2008   | Florence, AL - Cross Point Church of Christ    | 250           | ADSS Medicare Van Tour for seniors          |
| 11/15/2008   | Montgomery, AL - AUM Business School           | 60            | IPT and ACEE event with Girl Scouts         |
| 10/22/2008   | Millbrook, AL - Oak & Ivy Dreams with AARP     | 8             | Seniors from the local community            |
| 10/17/2008   | Montgomery, AL - RSA Plaza, at the Commission  | 33            | UAB finance students                        |
| 10/15/2008   | Florence, AL - Shoals Chamber of Commerce      | 8             | AARP and seniors from local area            |
| 10/9/2008  | Montgomery, AL - Alabama Activities Center     | 85            | Association of Gov. Accountants             |
| 10/6/2008  | Robertsdale, AL - Mama Lou's restaurant        | 13            | AARP and seniors from local area            |
| 10/3/2008  | Opelika, AL - area Elk's Club with ACES        | 41            | Members of the Elk's Club and citizens      |
| 10/2/2008  | Prattville, AL - Doster Civic Center           | 35            | Prattville Lions Club members               |
| <b><u>NUMBER OF EVENTS - TOTAL:</u></b>            |  | <b>70</b>     |   |
| <b><u>RECEIVED INVESTOR EDUCATION - TOTAL:</u></b> |  | <b>5401</b>   |   |



