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FOR IMMEDIATE RELEASE

## ASC to join SEC in new Alabama campaign to protect Senior investors

MONTGOMERY, ALABAMA (May 16, 2006) The Alabama Securities Commission has joined and will be actively involved in a campaign with the U.S. Securities Exchange Commission (SEC) and the North American Securities Administrators Association (NASAA) to protect Senior investors from investment fraud and sales of unsuitable securities. The initiative will have several components, including:

- Targeted examinations to detect abusive sales tactics aimed at seniors
- Aggressive enforcement of the securities laws in cases of fraud against seniors
- Active investor education and outreach.

“Another American baby boomer will turn 60 every eight seconds for the next 20 years,” said United States SEC Chairman Cox. “As the nation’s assets increasingly are held by older Americans, fraudsters can be expected to follow Willie Sutton’s example and go where the money is. That’s why the SEC’s partnership with state regulators to safeguard the assets of older Americans is so important.”

An important part of the initiative will involve investor education and outreach to senior investors. The SEC has a “Senior Care Package” of useful brochures for seniors, which are available on the SEC’s website ([www.sec.gov](http://www.sec.gov)) and NASAA has a [Senior Investor Resource Center](#) to provide investor education materials for seniors--all can be accessed through the ASC website at [www.asc.state.al.us](http://www.asc.state.al.us). Regulators will continue to work to promote investor awareness and protection among seniors. The Alabama Securities Commission has an Alabama specific customized “Senior Care Package” to provide to Seniors upon request and as hand outs at events.

Pursuant to the joint initiative, a working group consisting of representatives of the SEC’s Division of Enforcement, Office of Compliance Inspections and Examinations, and Office of Investor Education and Assistance, and representatives of NASAA’s broker-dealer, investment adviser, enforcement, and investor education sections and others met in Washington D.C., May 9 2006 to discuss collaborative efforts to further the initiative’s goal of protecting senior investors. Representation at these meetings included Joseph Borg, Director and Daniel Lord, Education and Public Affairs manager for the Alabama Securities Commission. Director Borg is the President elect for NASAA for the year of September 2006-2007.

Borg said, “We are already taking extensive action to plan events and reach out to Seniors throughout the state of Alabama. Senior Alabamians have worked hard to build the wonderful state and country we live in and deserve to be protected by this state agency. This Commission believes that investor education and fraud prevention training is an important step to help Seniors make informed investment decisions and

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avoid becoming a victim of securities fraud. This Commission has already participated in six public training events with the Alabama Attorney General's office and Department of Senior Services. Also, the Commission has partnered with AARP and the Alabama Cooperative Extension to sponsor an investor's university for over 200 citizens of Birmingham and 200 citizens in Huntsville; a similar event is planned near Mobile this fall, then events will move to rural communities in Alabama. The Commission has purchased professionally produced investor education brochures and posted them on the ASC website at: <http://asc.state.al.us> . These brochures were produced through a grant from the Investor Protection Trust and a partnership with Kiplinger's Personal Finance Magazine. The brochures cover the following topics: Five Keys to Investing Success; Getting Help with Your Investments; Mutual Funds: Maybe all You'll Ever Need; The Basics for Investing in Stocks; A Primer for Investing in Bonds, Maximize Your Retirement Investments; Where to Invest Your College Money. Seniors are invited to view the Commission's website for much more information concerning topics like enforcement actions, educational materials and securities industry news."

Planned events with the SEC will include monthly segments created for Seniors concerning fraud prevention and investor education for the Alabama Public Television program "The Time of Your Life" per a grant from the Investor Protection Trust. This show will provide tips for Seniors to protect themselves from securities fraud, give current financial crime alerts and much more. Director Borg and representatives from the SEC will periodically appear on the show in addition to other special guests. Also, ASC intends to partner with SEC regional representatives on Alabama based radio stations to announce Senior investor education events and discuss fraud prevention techniques.

Borg said, "We intend to partner with SEC examiners to initiate a program for onsite compliance examinations for investment advisors, broker dealers, and other firms who sponsor "free lunch" investment seminars to ensure their sales practices are lawful. Presently our enforcement staff is building a list of people and firms who are holding "free lunch" investment seminars throughout Alabama. The objective is to verify appropriate licensing, product representation and other compliance areas for the protection of Seniors in Alabama."

The Director of the Alabama Securities Commission (ASC) cautions potential investors to thoroughly check out any investment opportunity. 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.

Note: Portions of this article were extracted from a NASAA and SEC joint release on May 8, 2006. The Alabama Securities Commission is an active member of NASAA. Readers may learn more about NASAA and read the referenced release at: <http://www.nasaa.org/home/index.cfm> .

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