INVESTOR ALERT – FOR IMMEDIATE RELEASE

Top Securities Cop Warns Alabamians about Current Schemes/Scams

MONTGOMERY, ALABAMA (October 12, 2007) The Alabama Securities Commission (ASC) warns citizens to be alert to the dangers posed by three schemes/scams currently circulating throughout the state. Joseph P. Borg, Director of the ASC, advises, “Investigate before you invest. Check out these so-called opportunities with the Alabama Securities Commission, 1-800-222-1253, or the Alabama Attorney General’s Office of Consumer Affairs, 1-800-392-5658, before you proceed.”

“FINANCIAL PLANNING SURVEY”
Recently, the ASC has received reports from citizens concerning a “Financial Planning Survey,” purportedly sponsored by a reputable financial/investment firm. Although those contacted may not be interested in investing or purchasing a financial plan, they are approached and pressured to gather their personal financial documents and supply them to an individual who is identified by the company as a “financial planning associate,” or similar title. The enticement is that the individual may receive $1,000 or more for participating in the survey, with the possibility of receiving $250 per year thereafter. The ASC warns that this may be a ploy to obtain personal financial information or an illicit method to get the unsuspecting person to purchase investment instruments, that may not be in their best interest, from a high-pressure salesperson. “In any event, such tactics are inappropriate and possibly illegal,” Borg said.

“We need Alabama citizens’ help to investigate these activities. Please call our toll-free phone number, 1-800-222-1253, to report these offers and alert this Commission so we can protect Alabama consumers.”

“THE OVERSEAS LOTTERY SCAM”
Scam perpetrators, based in foreign countries, use the telephone and direct mail to entice American citizens, including many Alabamians, to buy chances in high-stakes foreign lotteries. These solicitations violate U.S. law, which prohibits the cross-border sale or purchase of lottery tickets by phone or mail. “Crafty thieves use bogus foreign lotteries to cheat people out of their savings and ruin their credit rating or relationship with their bank,” Borg said. “This scam, which targets peoples’ greed, is prevalent all across the country and citizens are falling for it.” The unsuspecting victim might receive a check for $1,500 or more to cover “taxes and fees,” accompanied by a professionally printed letter and explanation that they have won a large sum of money from a foreign lottery. The letter instructs the victim to cash the check and forward the amount, and possibly more, to begin “processing” their

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exorbitant but fictitious lottery winnings. Shortly after the victim cashes the check and after mailing the money for processing fees to the lottery, the check bounces and is not honored by their bank, making them responsible for the amount. Sometimes, victims are deceived into sending their financial account numbers, ostensibly to be used to deposit winnings into their account. The scammers then have easy access to remove money from their account. “It’s simple,” Borg stated. “Lotteries are illegal in Alabama; the biggest red flag with these scams is that no one is going to give you something for free. Don’t let your own greed cause you to lose money on a processing fee and get you in trouble for bouncing a bad check and participating in an illegal activity.”

“IRS REFUND SCAM”
This is a “Phishing” scam, a form of Internet fraud used to trick victims into providing sensitive personal and/or financial information to illicit sources. Like most Phishing scams the IRS Refund scam targets citizens through email or regular mail. The senders portray themselves as officials of state or federal agencies that, due to administrative oversight, are withholding tax refunds that belong to the victim. The sender presents the victim with a document that copies the appearance of a genuine Internal Revenue Service form and asks for Social Security numbers, credit card numbers or other personal information. Although it is not uncommon for state and federal agencies to hold unclaimed tax dollars, consumers are warned that neither the IRS, nor the State of Alabama, initiates contact with taxpayers via email to advise them of refunds or to request financial information such as PIN numbers, passwords or similar secret access information for their credit cards, bank or other financial accounts. Borg cautions all Alabamians to be wary if the receive this kind of contact. “Your personal information is already on file with state and federal tax authorities,” he said. “Always be skeptical when you receive unsolicited emails or emails from senders you don’t know.”

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Further questions should be directed to Dan Lord, Education and Public Affairs manager, 334-353-4858. Email: dan.lord@asc.alabama.gov.

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