

ALABAMA SECURITIES COMMISSION

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TO BETTER PROTECT OLDER STATE RESIDENTS, THE ALABAMA SECURITIES COMMISSION JOINS NATIONWIDE “ELDER INVESTMENT FRAUD AND FINANCIAL EXPLOITATION PREVENTION PROGRAM”

This New Effort is About “Early Detection” Before Elderly are Separated From Life Savings.

MONTGOMERY, ALABAMA (November 17, 2010) Joseph P. Borg, Director of the Alabama Securities Commission (ASC) announced today that Alabama is taking part in a groundbreaking new “Elder Investment Fraud and Financial Exploitation Prevention Program” that will work with medical professionals in Alabama next year to detect cases in which older state residents either are being scammed or are in danger of being ripped-off by an investment con artist.

The “Elder Investment Fraud and Financial Exploitation Prevention Program” is a collaboration between the Investor Protection Trust (IPT), Investor Protection Institute (IPI), the North American Securities Administrators Association (NASAA) and the National Adult Protective Services Association (NAPSA) in cooperation with leading U.S. medical associations including the American Academy of Family Physicians, American College of Physicians, American Geriatrics Society, National Area Health Education Center Organization, and the National Association of Geriatric Education Centers. This program was created by the Baylor College of Medicine with grant funding from the Investor Protection Trust and piloted in the state of Texas.

Director Borg said: “When it comes to protecting older investors, the name of the game is to take action before the money is gone. ASC is joining the ‘Elder Investment Fraud and Financial Exploitation Prevention Program’ because it will give us an important new way to tap into medical professionals who are working directly with the elderly and can be taught the warning signs of investment scams. This way, we can get better information earlier and do more to shut down scams at an earlier stage.”

IPT President and CEO Don Blandin said: “We now know that a shockingly large number of older Americans are already victims of financial swindles and millions more are in danger of being exploited in such a fashion. Given that front-line medical professionals who deal everyday with older Americans are ideally positioned to spot the impaired mental capacity that can leave seniors vulnerable to investment fraud, our new program seeks to inform doctors, nurses and others about the warning signs of elder investment fraud and financial exploitation.”

Borg said, “The “Elder Investment Fraud and Financial Exploitation Prevention Program” will educate the large number of medical professionals in Alabama who see older people in their practices about how to spot older Americans who may be particularly vulnerable to financial abuse and then to refer suspected investment fraud involving these at-risk patients to state securities regulators and/or to local Adult Protective Services (APS) professionals.”

State securities regulators and participating medical professionals will soon have available the project’s Clinician’s Pocket Guide and an informational brochure for patients/investors. The pocket guide – which outlines common red flags, how to ask about a patient’s financial capacity and what types of referral may be needed – can be used to train medical staff, as well as functioning as a handy reference card. The brochure tells how to protect against elder investment fraud and where to get help.

Medical professionals with questions about the new initiative in Alabama should contact Dan Lord, Education and Public Affairs, Manager at 334-353-4858 or email dan.lord@asc.alabama.gov.

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BACKGROUND: THE ELDERLY AND INVESTMENT FRAUD

Senior citizens have long been the target of unscrupulous investment scam artists. This is especially true of seniors who have mild cognitive impairment (MCI). According to the 2010 Investor Protection Elder Fraud Survey released in June, 7.3 million older Americans – one out of every five citizens over the age of 65 – already have been victimized by a financial swindle. The IPT survey also found that half of older Americans exhibit one or more of the warning signs of current financial victimization. For example, more than one out three seniors (37 percent) are currently being pitched by “people (who) are calling me or mailing me asking for money, lotteries, and other schemes,” while a much lower 19 percent of adult children believe that their parents are being pressured in such a fashion.

Of particular concern are seniors with mild cognitive impairment who can perform most daily functions, but have trouble or become confused with others, like following their medicine regimen and managing their finances. A 2008 Duke University study found that about 35 percent of the 25 million people over age 71 in the U.S. either have mild cognitive impairment or Alzheimer’s disease. This makes them especially vulnerable to financial exploitation, including investment fraud.

CONTACT: Dan Lord, Education and Public Affairs, Manager at 334-353-4858 or email dan.lord@asc.alabama.gov and Patrick Mitchell, for IPT, (703) 276-3266 or pmitchell@hastingsgroup.com.

EDITOR’S NOTE: A related phone-based news conference to announce participating states will take place at 11 a.m. EST on November 17, 2010 at 1 (800) 860-2442. Ask for the “Elder Investment Fraud Program” news event. A streaming audio recording of the news event will be available on the Web as of 4 p.m. EST on November 17, 2010 at <http://www.investorprotection.org>.

The goal of the Alabama Securities Commission (ASC) (<http://www.asc.alabama.gov>) is to protect Alabama citizens from deceptive and illegal practices associated with offers, sales and purchases of securities in Alabama. In order to meet this goal, the ASC carries out three important functions: registration, enforcement and education, and strives to continually refine and strengthen its role as a staunch advocate for Alabama’s “main street” investors.

The Investor Protection Trust (<http://www.investorprotection.org>) is a nonprofit organization devoted to investor education. The primary mission of IPT is to provide independent, objective information needed by consumers to make informed investment decisions. Founded in 1993 as part of a multi-state settlement to resolve charges of misconduct, IPT serves as an independent source of unbiased and non-commercial investor education materials. IPT operates programs under its own auspices and uses grants to underwrite important investor education and protection initiatives carried out by other organizations. The IPT provides investor education at both the state and national levels.

The Investor Protection Institute (<http://www.protectinvestors.org>) is a nonprofit organization that promotes investor protection by conducting and supporting research and education programs.

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