MONTGOMERY, ALABAMA (June 18, 2013) With energy demands and a desire for energy independence increasing globally, investments in traditional and alternative energy resources are being promoted more often and are becoming attractive to investors and con artists alike, The Alabama Securities Commission (ASC) said today.

In an investor advisory, the ASC explains the most common ways energy investment products may be offered, why investors need to be cautious and how investors can protect themselves when considering investments in traditional or alternative energy offerings. The advisory is available at www.asc.alabama.gov.

“Many of these investments are highly risky and illiquid and therefore are not appropriate for many investors,” said ASC Director, Joseph Borg. “It is not unusual for unscrupulous promoters to use the lure of current events or innovative technologies to take advantage of unsuspecting investors by engaging in fraudulent practices.”

Borg said promoters sometimes prey on investors interested in socially responsible products by labeling them as “green energy” investment opportunities. The phrase “green energy” implies that the products are ecologically friendly. In some cases, the promoters may be operating a fraudulent shell company and not producing anything.

According to the most recent enforcement survey by the North American Securities Administrators Association (NASAA), of which the ASC is a member, oil and gas investments were the fourth most common product at the heart of state securities enforcement cases, with about 40 percent of responding jurisdictions reporting energy-related enforcement cases.

The ASC cautions potential investors to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC with inquiries concerning securities broker-dealers, agents, investment advisers, investment adviser representatives, financial planners, registration status of securities or debt management programs, to report suspected fraud or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website and through educational presentations upon request.

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