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Alabama Securities Commission Proposes Rule Prohibiting Misleading Professional Designations Aimed at Senior Investors

MONTGOMERY, ALABAMA (July 7, 2008) The Alabama Securities Commission (ASC) today proposed a rule prohibiting the misleading use of senior and retiree designations in response to increased reports of abuses in the offer and sale of financial products to older investors. The proposed rule would make it illegal for an individual to claim professional or specialized educational credentials for the purpose of setting themselves apart by experience, expertise or knowledge in the offer and sale of securities to senior investors unless those credentials include actual, verifiable training or experience. The rule would also provide a means whereby the ASC can recognize the use of certain designations conferred by an accredited organization.

“The rule being proposed by the Commission will establish a clear and concise standard for financial industry personnel who work with senior Alabamians,” said ASC Director Joseph Borg. “We join with the North American Securities Administrators Association (NASAA) and our fellow securities regulators in this effort to curb unethical practices that fraudsters use to rob our parents and grandparents of their financial security.”

The proposed rule has been submitted to the Alabama Legislative Reference Service for publication in the Administrative Law Monthly, to be followed by a 35-day public comment period. After public comments have been received, the Commission will determine, based upon public comments received, whether changes to the rule should be made. The ASC will then act to incorporate the rule within the Commission rules.

The proposed rule is based on a similar model rule proposed by state securities regulators who comprise the membership of NASAA. The Alabama proposed rule may be accessed at www.asc.alabama.gov in the “STATUTES, REGULATIONS & COMMISSION POLICIES” section under “Proposed Rule Changes.”

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