

ALABAMA SECURITIES COMMISSION

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FOR IMMEDIATE RELEASE

State Securities Director Warns of Opportunistic Investment Scams Following Attacks on World Trade Center and Pentagon

MONTGOMERY, ALABAMA (September 18, 2001) In the wake of terrorist attacks in New York and near Washington, DC, Joseph P. Borg, Director, Alabama Securities Commission warned investors to be on the lookout for opportunistic scams similar to those associated with the Year 2000 computer bug.

Borg said, "Cold-calling telephone salespeople, advertisements, or Internet postings that tout commodities, exotic financial products, or supposed anti-terrorist technologies should be a red flag for investors. Investors should be especially wary of enticements to send their money offshore to so-called "safe havens."

"In times of tragedy, confusion, fear and uncertainty, there are always those who will attempt to prey on the investing public," said Borg. "In the wake of last week's tragedies, investors should resist the temptation to make hasty decisions about their investments or finances. Our economy is the most diverse and productive in the world, and the United States is and will remain the world's financial capital."

Recalling that many con artists exploited fears associated with the Year 2000 computer bug to tout investments in precious metals, emergency preparedness scams and non-existent technology companies, Borg urged investors to:

- Hang up on aggressive cold callers promoting "safe" investments such as precious metals, oil, or gas and ignore unsolicited e-mail or Internet chat

room talk about small companies with new anti-terrorist technologies or products;

- more -

- Contact the Alabama Securities Commission to check that both the seller and investment are properly registered. If they are not, they may be operating illegally.
- Request written information that fully explains the investment, such as a prospectus or offering circular. The documentation should contain enough clear and accurate information to allow you or your financial adviser to evaluate and verify the particulars of the investment; and
- Use common sense. Some things really are too good to be true. Get a professional, third-party opinion when presented with investment opportunities that seem to offer unusually high returns in comparison to other investment options. Pie-in-the-sky promises often signal investment fraud.

To contact the Alabama Securities Commission:

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The internet is a great source of free investment information. A good starting point is the NASAA website at: <http://www.nasaa.org/>).

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