

ALABAMA SECURITIES COMMISSION
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The Alabama Securities Commission Cautions Main Street Investors Against Making Uninformed, Sudden Decisions Amid Wall Street Crisis

MONTGOMERY, ALABAMA, (September 25, 2008) Joseph P. Borg, Director of the Alabama Securities Commission, today cautioned Alabama investors against making sudden and uninformed decisions amid the ongoing market volatility and unprecedented turmoil on Wall Street. Director Joseph Borg also reminded investors about the important safeguards protecting their brokerage account assets.

“We know from past experience that con artists follow the headlines to prey on the worries and fears of everyday investors,” Borg said. “With the current economic situation, state securities regulators are concerned that scammers are gearing up to promote various investment schemes with promises of big returns. If history is any guide, these investments will be worth less than the paper on which they are printed.”

Borg urged investors to make informed decisions about their long-term financial holdings and to seek the advice of a trusted investment adviser or financial planner before making any sudden moves with their money. “Investors should be wary of unsolicited financial advice or investment opportunities,” Borg said. “In times of confusion, fear and uncertainty, there are always those who will try to prey on the investing public. Investors should resist the temptation to make hasty decisions about their investments or finances.”

The Alabama Securities Commission (ASC) recommends the following tips for investors:

- Contact ASC with any questions about an investment firm, professional or product. Make sure that both the seller and investment are licensed and registered. If they are not, they may be operating illegally.
- Use common sense. Some things really are too good to be true. Get a professional, trusted third-party opinion when presented with investment opportunities that seem to offer unusually high returns in comparison to other investment options.
- 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.
- If you participate in an employer-sponsored retirement plan, such as a 401(k) plan, get unbiased advice and guidance before making any significant changes to your long-term savings and investment strategy.

ASC also reminds investors that the Securities Investor Protection Corporation (SIPC) maintains a special reserve fund authorized by Congress to help investors at failed brokerage firms. SIPC acts either as trustee or works with an independent court-appointed trustee in a brokerage insolvency case to recover funds. Additional information about SIPC is available at www.sipc.org.

Moreover, rules of the U.S. Securities and Exchange Commission require registered broker-dealers to maintain net capital to provide financial resources so that customers will get their cash and securities back if the firm fails. According to the SEC, customer claims for their funds and securities are senior to other claims on the broker-dealer.

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