

### Director's Update to Legislators

Dear Legislators,

The Alabama Securities Commission was proud to serve citizens of Alabama during the past year. The Commission protected citizens through enforcement, registration, and by providing wise saving and investor education.

At this time of turmoil in the financial industry the Alabama Securities Commission is working for the citizens of Alabama to further protect them from financial fraud and to promote a fair opportunity for those who invest their hard earned dollars in the market and our economy.

We all know by now that problems on Wall Street spell trouble on Main Street here in Alabama. Our agency's actions on local, state, national and international matters, have given us an unique experience on the front lines of investor protection. Clearly, our system of financial services regulation must be improved to better protect our investors, our markets and our economy as a whole. To serve all of these vital interests, Congress and the Administration, working together with federal and state regulators, as well as self-regulatory organizations, should take steps to ensure that our new approach is strong, comprehensive, collaborative and efficient.

Federal policymakers can achieve these objectives by applying the following core principles of regulatory reform:

- Preserve the system of state/federal collaboration while streamlining where possible.
- Close regulatory gaps by subjecting all financial products and markets to regulation.
- Strengthen standards of conduct, and use "principles" to complement rules, not replace them.
- Improve oversight through better risk assessment and interagency communication.
- Toughen enforcement and shore up private remedies.

*(continued on page 2)*

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### **ASC Statistical Summary for FY 2008**

- ASC Total Staff – **45**  
(includes 5 attorneys, 12 special agents, 8 analysts)
- Registrations and exemptions issued – **133,297**
- Complaints and corporate inquiries received – **502**
- Industrial Revenue Bonds issued - **\$337,964,732**
- Administrative Orders issued – **54**
- Administrative Order respondents – **123**
- Rescissions ordered - **\$454,413**
- Restitution to victims - **\$2,874,992**
- Public warnings issued – **9**
- Indictments obtained – **27**
- Convictions – **12**
- Arrests made – **17**
- Years Incarcerated – **128**
- Individuals awaiting grand jury action, arrest or trial – **47**
- Contributed to State General Fund - **\$7.8 million**



*(Director's Update to Legislators continued)*

**ASC Cautions Main Street Investors Against Making  
Uninformed, Sudden Decisions Amid Wall Street Crisis!**

Alabama investors need to be cautious about making sudden and uninformed decisions amid the ongoing market volatility and unprecedented turmoil on Wall Street. Now is the time for investors to take important safeguards to protect their brokerage account assets or savings.

From past experience we know that con artists follow the headlines to prey on the worries and fears of everyday investors. 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.

Investors need 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. In times of confusion, fear and uncertainty, there are always those who will try to prey on the investing public.

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 invest-

## **Key ASC Statistical Comparison for the Past Five Fiscal Years:**

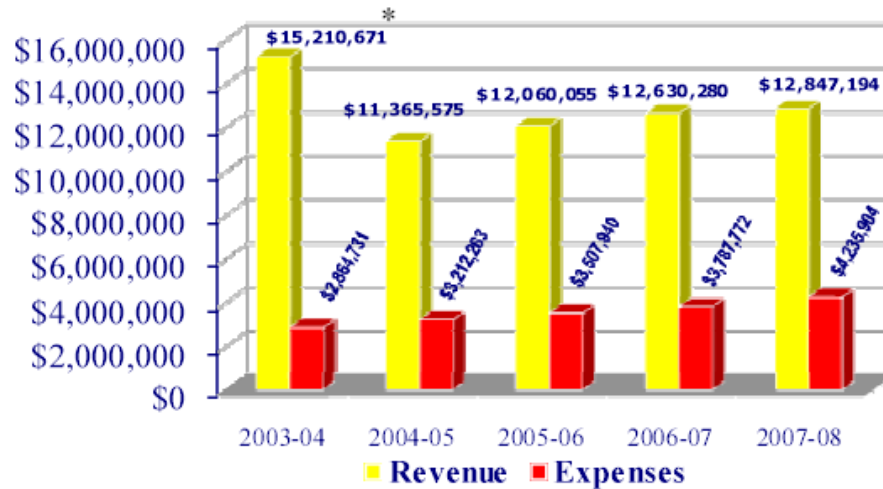
### **Revenue Enforcement Registration**

# Revenue



## Combined Revenue and Expenses

Fiscal Year 2003/04 – 2007/08

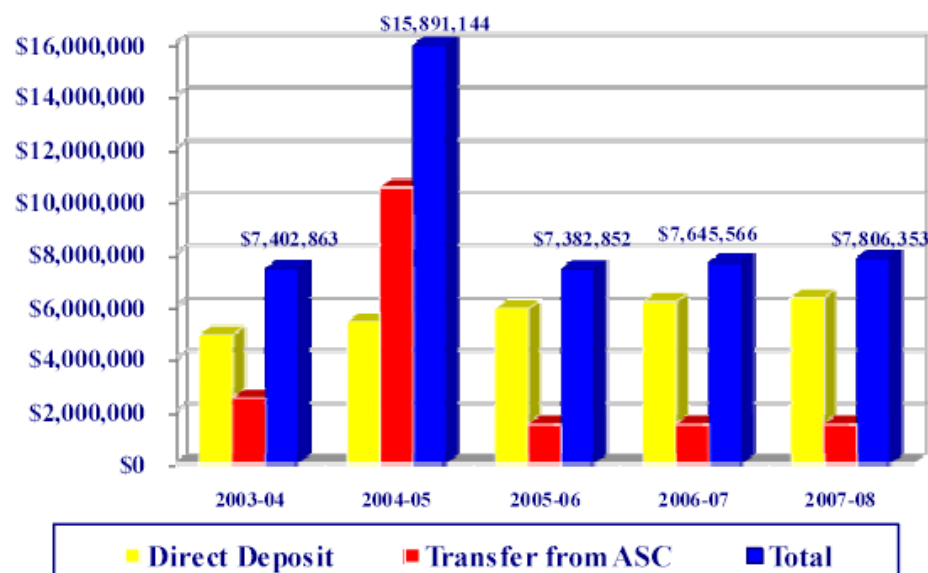


\* \$5,000,000 attributed to Wall Street settlement



## Total Revenue to General Fund

Fiscal Year 2003/04 – 2007/08

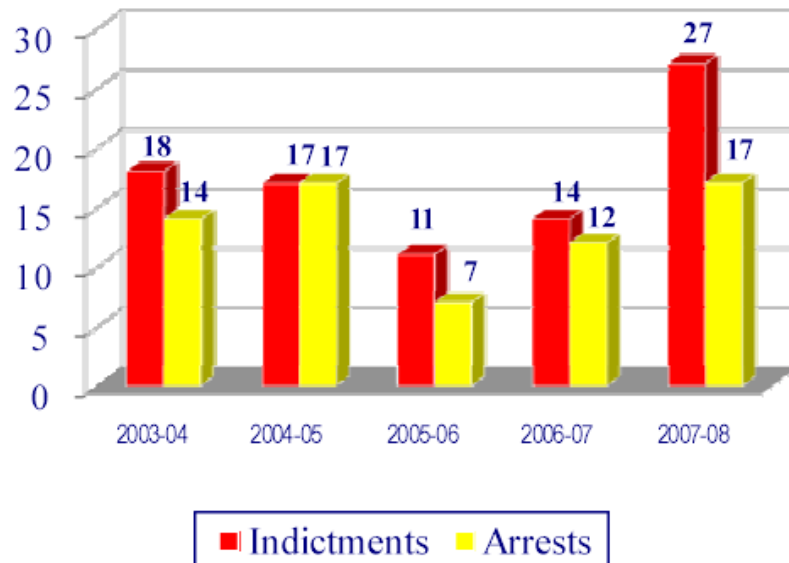


# Enforcement



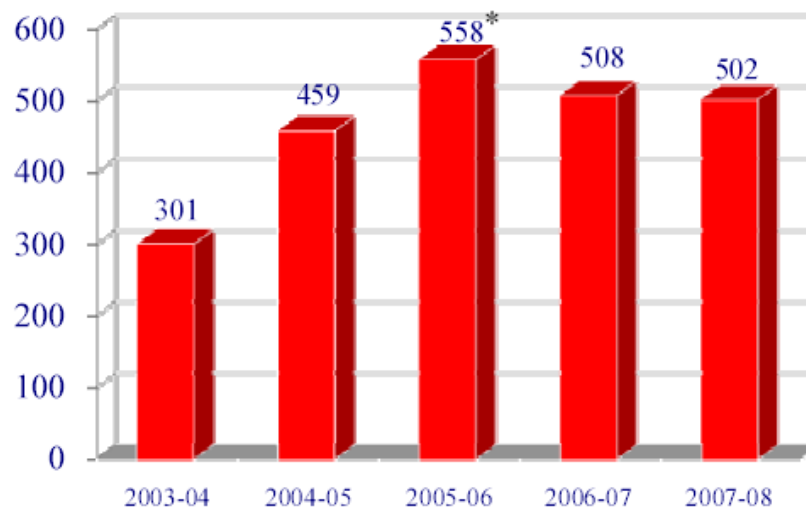
## Indictments and Arrest

Fiscal Year 2003/04 – 2007/08



## COMPLAINTS & CORPORATE INQUIRIES

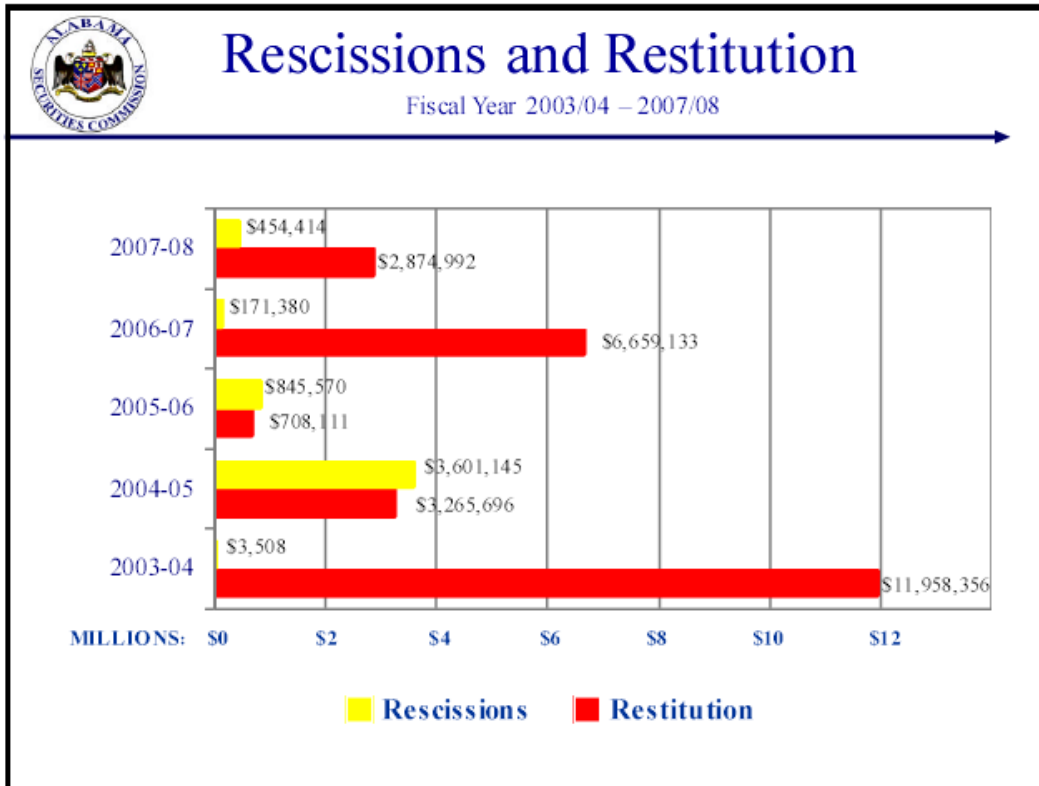
Fiscal Year 2003/04 – 2007/08



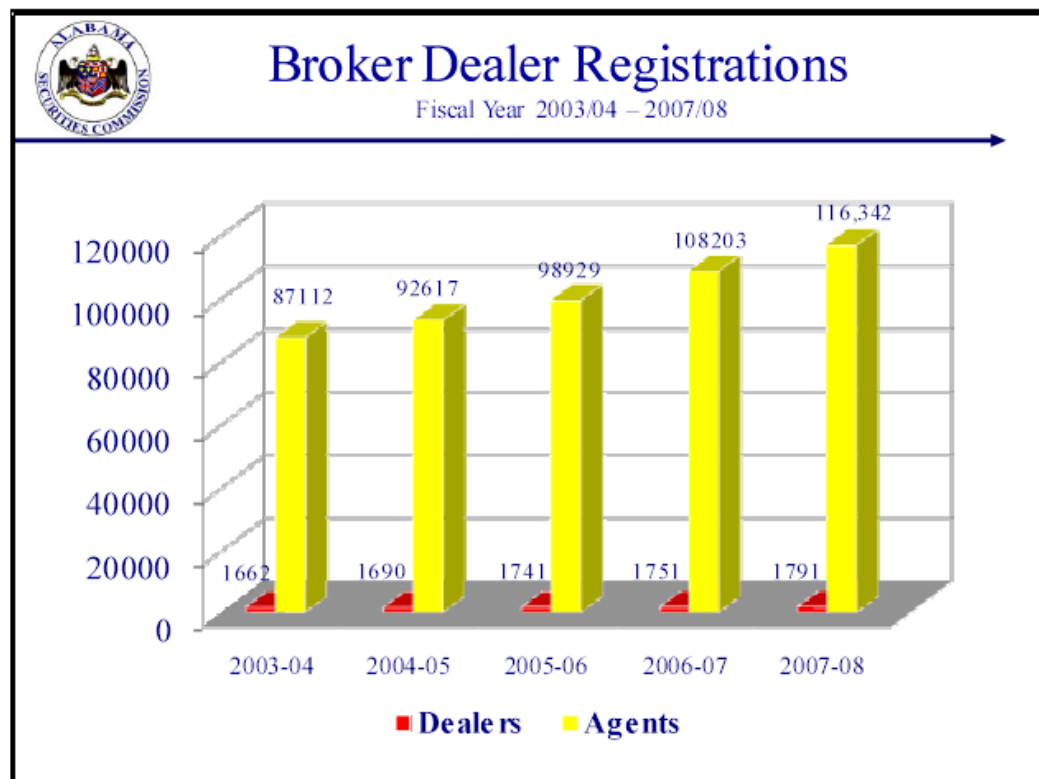
\* Increased service on checking newly filed incorporations and verifying new business legal requirements



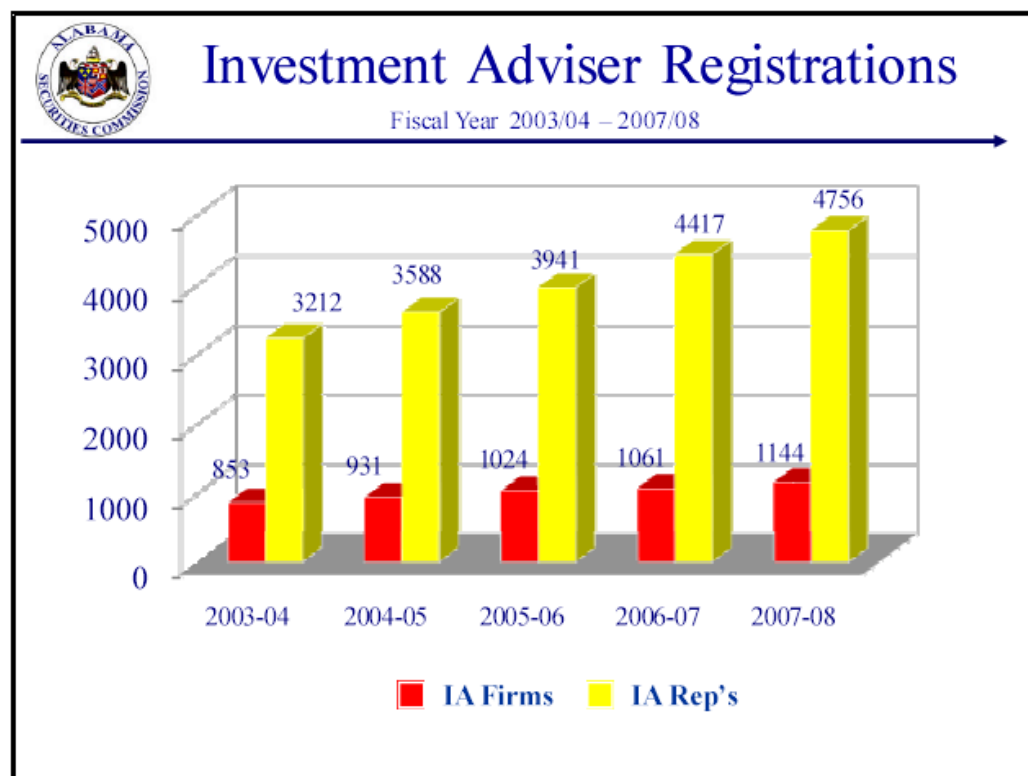
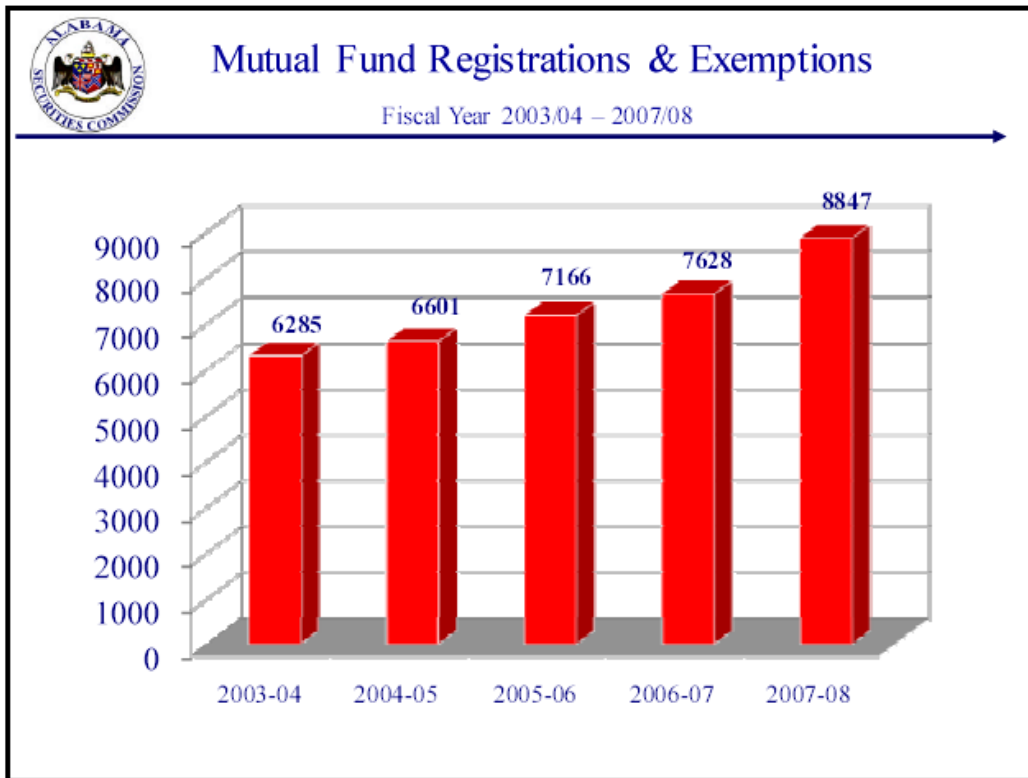
# Enforcement



# Registration



# Registration





# ALABAMA

## Securities Commission

Joseph P. Borg, Director

### ENFORCEMENT HEADLINE SUMMARIES FROM CALENDAR YEAR 2008.

(Alphabetical by County)

To read complete articles and more go to:

**[www.asc.alabama.gov](http://www.asc.alabama.gov)**

#### Bibb County

##### **Bibb County Man, Ronald Dover Holland, Enters Guilty Plea for Violations of Alabama Securities Act**

(August 21, 2008) Ronald Dover Holland, age 68, of Centreville, Alabama, has pled guilty to one count of Sale of Unregistered Securities and two counts of Securities Fraud, all violations of the Alabama Securities Act. A Bibb County, Alabama Grand Jury indictment alleged that Holland offered and sold unregistered securities of REVOD Foundation, Inc., which, according to a company statement, were "investments used to support religious, scientific, charitable, educational and literary purposes." Holland was alleged to have operated a classic Ponzi scheme. Holland was sentenced to 17 and one-half years, split to serve a five year sentence, with the Alabama Department of Corrections and will pay restitution of approximately \$390,000 to Alabama victims.

#### DeKalb County

##### **DeKalb County Man Indicted for Alleged Violations of Alabama Securities Law**

(February 19, 2008) James William Griffith, 70, a former resident of Fort Payne, Alabama, was indicted by the DeKalb County Grand Jury for alleged violations of the Alabama Securities Act. Griffith is currently incarcerated by the Tennessee Department of Corrections on securities fraud cases in that state. The indictment alleges that from 1998 through 2005, Griffith sold stock in several illegal publishing ventures, including American Veterans Marketing, Inc., American Heritage Publishing, Inc., All About America, Inc., or, American Heritage Publishing and Merchandising, Inc. More than seven investors in Alabama purchased stock in the companies and, combined with at least ten other investors from Georgia and Tennessee, purchased approximately \$130,000 in stock from Griffith.

#### Houston County

##### **Houston County Man Arrested for Alleged Violations of Alabama Securities Act**

(November 16, 2008) Robert Edmondson, a resident of Dothan, Alabama, was arrested October 23, 2008 by Houston County Sheriff's Department deputies for alleged violations of the Alabama Securities Act and was transported to Houston County Jail where he was later released under \$100,000 bond. A five-count indictment was returned against Edmondson by a September 2008 session of the Houston County Grand Jury alleging one count each of Sale of Securities by an Unregistered Agent, Omission of Material Facts in Connection with the Offer/Sale of a Security, Untrue Statements of Material Fact in Connection with the Offer/Sale of a Security and, two counts of Sale of an Unregistered Security. The indictment alleges that Edmondson solicited and sold investments to at least two Alabama investors and that approximately \$220,000 of investors' money was used to develop and market an electric power saving device for consumer use. The device was not developed nor manufactured, investors did not receive their money back and the business eventually closed, according to the indictment. It is further alleged that Edmondson used the victims' money for his personal use as well as to fund the continued operation of his company.

#### Lee County

##### **Opelika Man Indicted by Lee County Grand Jury for Alleged Violations of Alabama Securities Act**

(September 26, 2008) Michael James Dixon, an Opelika resident, was indicted for alleged violations of the Alabama Securities Act by the Lee County Grand Jury on September 16, 2008, following an investigation by the ASC. Dixon was arrested by Lee County Sheriff's Deputies on July 10, 2008 and remains incarcerated in the Lee County Detention Center under \$50,000 bond. A seven count indictment was returned which included two counts Theft of Property, 1st Degree, Class B felonies under Alabama law; one count of Sale of a Security by an Unregistered Agent, one count of Sale of an Unregistered Security and three counts of Fraud in Connection with the Sale of a Security. The indictment alleges that Dixon offered an investment opportunity to a Florida resident through Dixon's company, HBM, LLC. Dixon used the investor's funds for personal use.

## **(continued ) ENFORCEMENT HEADLINE SUMMARIES**

### **Lee County Man Arrested for Alleged Violations of Alabama Securities Law**

(July 18, 2008) Michael James Dixon, from Opelika, Alabama, was arrested for alleged violations of the Alabama Securities Act by deputies of the Lee County Sheriff's Department on July 10, 2008 and remains in the Lee County Jail. Dixon's bond is set at \$50,000. Warrants for Dixon's arrest charge two counts Theft of Property 1st Degree, one count of Sale of a Security by an Unregistered Agent, one count of Sale of an Unregistered Security and one count of Misrepresentation in the Sale of a Security. Dixon allegedly offered an investment opportunity to a Florida resident through Dixon's company called HBM, LLC. Dixon used the investor's funds for personal use. The Commission has no record of license for Mr. Dixon or HBM, LLC to sell securities in Alabama and no record of registration for the investment that Dixon offered and sold.

### **Jefferson County**

#### **Former Bessemer Revenue Director Pleads Guilty to Violations of Alabama Securities Act**

(December 9, 2008) Ryan O. Rancher pled guilty to one count theft of property and four counts of securities violations on Friday, December 5, 2008. An eighteen-month investigation by the ASC alleged that Rancher, acting in the capacity of an investment adviser representative, solicited more than \$500,000 from Birmingham area residents for investment purposes. Rancher failed to invest some of the solicited money diverting it to personal use. Rancher also used investment funds to pay back bogus returns to investors in what is usually referred to as a Ponzi scheme. Rancher was previously the Revenue Director for the City of Bessemer, Alabama and was terminated June 2007.

#### **Jefferson County Man Arrested for Alleged Violations of Alabama Securities Act**

(November 26, 2008) Cornelious Brown III, a resident of Birmingham, Alabama, was arrested November 18, 2008 by Jefferson County Sheriff's deputies and transported to the Jefferson County detention facility for alleged violations of the Alabama Securities Act. Brown was later released under \$30,000 bond. A Jefferson County Grand Jury returned a seven-count indictment against Brown alleging one count each of Sale of Unregistered Securities and Sale of Securities by an Unregistered Agent; and, five counts of Fraud in Connection with the Sale of Securities. The indictment alleges that Brown, doing business as Providential Financial Group, Inc. (PFG), fraudulently solicited multiple investments and used the investment funds for personal and other non-business expenses.

#### **Hoover Man, James F. Fitch Sentenced for Violations of Alabama Securities Act**

(June 4, 2008) James Floyd Fitch, III, a Hoover, Alabama resident, pled guilty to one count of Theft of Property 1st Degree and one count of Fraud in Connection with the Offer and/or Sale of Securities. Fitch was sentenced to 17 and one-half years in the state penitentiary, split to serve five years, with five years supervised probation on each count. The sentences are to run concurrently but will run consecutively with a sentence Fitch is currently serving for a previously adjudicated charge. The plea stemmed from an indictment alleging that Fitch was not registered to sell securities in Alabama and also offered and sold unregistered securities identified as investment contracts for multiple real estate development projects, soliciting more than \$2.7 million from more than 30 individuals.

### **Madison County**

#### **Madison County Man Pleads Guilty to Securities Fraud**

(February 05, 2009) Hunter Brown Daniel, Jr., a resident of Huntsville, Alabama, has pled guilty to one count of Securities Fraud Through Omission or Misrepresentation During the Sale of Securities. Charges against Daniel arose after a cooperative investigation conducted by the ASC, the Alabama Department of Insurance and the Madison County District Attorney. An indictment was handed down by a May 2008 session of the Madison County Grand Jury alleging that Daniel acted as an agent for National Foundation of America (NFOA), a Tennessee corporation that was not registered to offer or sell securities in Alabama. Charges also alleged that Daniel offered and sold unregistered securities in the form of Installment Plan Contracts valued at more than \$534,000 to thirteen Alabama investors. NFOA allegedly described itself as a non-profit organization and intentionally misled investors by promising unrealistic returns on the contracts in exchange for investors' "donation" of their current legitimate annuities investments. NFOA had not been granted non-profit status by the U.S. Internal Revenue Service. The National Foundation of America (NFOA) was closed down by authorities in the State of Tennessee on September 11, 2007 and assets have been seized for liquidation. Tennessee authorities estimate funds involved to be \$19,418,409; presently about 15.3 million has been disbursed to the claimants. For more information go to: [www.nfoaliquidation.com](http://www.nfoaliquidation.com).

*(continued on next page)*

## **(continued ) ENFORCEMENT HEADLINE SUMMARIES**

### **Madison County Man Indicted for Alleged Violations of Alabama Securities Law**

(June 9, 2008) Hunter Brown Daniel, Jr., a resident of Huntsville, Alabama was indicted on 36 counts of alleged violations of the Alabama Securities Act by a May 2008 session of the Madison County Grand Jury.

### **Marshall County**

#### **Marshall County - California Residents Plead Guilty to Violations of the Alabama Securities Act**

(February 13, 2009) Randy Morton, 51; and, Candice Lynn Lewis, 42, residents of Orange County, California, pled guilty to violations of the Alabama Securities Act. Morton and Lewis were principles in Lifeline Imaging Systems, Inc. that purportedly operated a number of "body imaging centers" in California, Arizona and Texas. Indictments alleged that the two attempted to raise capital to fund the business and, together with Daniel Caterino from California, established a call center employing a number of unregistered sales agents. The unregistered sales agents then allegedly made "cold calls" to several Alabama residents and solicited funds, in violation of Alabama securities law. It is alleged that approximately \$15,000,000 in capital was raised nationwide to fund Lifeline Imaging Systems, Inc.

#### **Hawaii Man Arrested for Alleged Violations of Alabama Securities Act**

(October 29, 2008) Randle William Villa, 54, a resident of Maui County, Hawaii, was arrested for alleged violations of the Alabama Securities Act. On September 2, 2008, Maui Police Department officers served an arrest warrant, obtained by the ASC in cooperation with the Marshall County, Alabama District Attorney, against Villa for his involvement with Lifeline Imaging Systems, Inc., formerly of Orange County, California, where he was employed as a sales agent. The arrest stemmed from an indictment handed down on March 10, 2008 by the Marshall County Grand Jury charging Villa with two counts each of Sale of Unregistered Securities and Sale of Securities by an Unregistered Agent. The ASC, with the assistance of the Marshall County Sheriff's Department and Marshall County District Attorney's Office, subsequently extradited Villa on September 16, 2008, and he was incarcerated under \$200,000 bond. Lifeline Imaging Systems obtained approximately \$400,000 from Alabama victims to invest in a number of "body imaging centers" in California, Arizona and Texas.

### **Montgomery County**

#### **Montgomery Man Enters Plea for Violations of Alabama Securities Act**

(April 16, 2008) Willie Joe Phillips, resident of Montgomery, Alabama pled guilty to a single count of Sale of Securities by an Unregistered Agent, a violation of the Alabama Securities Act. Phillips entered the plea April 14, 2008 in Montgomery County Circuit Court and a sentencing hearing is scheduled May 19, 2008. Phillips pled guilty under terms of a plea agreement stipulating he must pay \$15,627 restitution to his victims. He had previously paid \$20,000 restitution to the Court prior to his guilty plea

### **Shelby County**

#### **Shelby County Man, Daughter and Michigan Man Arrested for Alleged Violations of Alabama Securities Act**

(February 18, 2009) Paul Haskell Lane, Jr., a Shelby County resident, was arrested for alleged violations of the Alabama Securities Act. Additionally, Lane's daughter, Katherine Hope Lane, a Jefferson County resident; and, Michael Pahl, a Jackson, Michigan resident, were arrested by Jefferson County Sheriff's deputies and Michigan law enforcement authorities respectively, for related violations. Charges against the trio stemmed from indictments handed down by a January 2009 session of the Shelby County Grand Jury alleging their involvement in a scheme to solicit investments for the purpose of funding a non-existent lawsuit. Investor funds, along with an additional percentage, were supposedly to be repaid after the fictitious lawsuit was settled. The illicit scheme was alleged to have garnered more than \$500,000 from several out-of-state victims.

#### **Shelby County Man Pleads Guilty to Violations of Alabama Securities Act**

(February 6, 2009) Lysle John Fleming, a Shelby County resident, has pled guilty in Shelby County Circuit Court to a violation of the Alabama Securities Act. He received a one year and a day sentence, which was suspended, and was placed on two years of supervised probation. Fleming was ordered to pay a total of \$25,777 in restitution to two Alabama investors and one Missouri investor. Fleming sold unspecified, non-existent overseas investment opportunities that purportedly offered significant returns to the three investors.

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## ***(continued)* ENFORCEMENT HEADLINE SUMMARIES**

### **Shelby County - Californians Pled Guilty to Illegal Offering of Securities - Hidden Under SEC Exemption**

(January 14, 2009) Stanley H. Johnson and his wife Easter L. Johnson have pled guilty to involvement in illegal securities offerings with a company called Advance Body Imaging located in Orange County, California. The offering of Advance Body Imaging securities was based upon a securities registration exemption set forth under Regulation D, Rule 506 of the Securities Act of 1933, exempting from registration certain securities marketed through private offerings. Typically, investors who are offered an opportunity to purchase such a security must have either a pre-existing business relationship with a broker or the issuer of the security and the offering cannot involve any form of general solicitation such as through newspapers, television or radio advertising nor any type of mass marketing solicitation. Under exemption provisions of federal law, state and federal securities regulators are not afforded an opportunity for substantive review of these offerings to discern potential misrepresentations prior to their solicitation to investors. Since implementation of this preemption, scammers nationwide have gravitated to this type offering because it presents the appearance of legitimacy while not requiring documentation or other details of the offerings to come under the direct scrutiny of regulators. The exemption has been used successfully by scam artists to steal millions of dollars from investors through false and misleading representations. The Johnsons' guilty plea relates to a particular offer which was revealed in an investigation of a "boiler room" operation in California that marketed numerous such potentially fraudulent offers. Indictments alleged that the Johnsons attempted to raise capital to fund the business and employed Romo to help solicit investments from residents in Alabama and other states. It is alleged that approximately \$3 million in capital was raised nationwide to fund Advance Body Imaging, and some of the money may have been used for personal or unrelated business expenses.

### **Shelby County Man Arrested for Alleged Violations of Alabama Securities Law**

(February 5, 2008) Lysle John Fleming, Jr., 60, a resident of Shelby County, was arrested for alleged violations of the Alabama Securities Act, transported to the Shelby County jail and released on a \$90,000 bond. Shelby County Grand Jury indictments allege that Fleming sold three investment contracts to two Alabama residents, as well as to a Missouri resident and received approximately \$26,900 from the investors, which was ultimately used for personal gain and other unrelated expenses. Fleming is not registered by the ASC to conduct securities business in Alabama.

### **St. Clair County**

#### **St. Clair County - Ohio Man Pleads Guilty to Violation of Alabama Securities Act**

(February 13, 2009) Timothy Heyman, 38, a resident of Findlay, Ohio, pled guilty to a violation of the Alabama Securities Act. The plea was a result of an investigation conducted in conjunction with the St. Clair County District Attorney's office and subsequent indictment handed down by a September 2005 session of the St. Clair County Grand Jury. On February 9, 2009, Heyman, identified as President of Heyman International, Inc., an Ohio business entity, pled guilty to one count of securities fraud arising from his operation of a classic "Ponzi" scheme that involved the offer and sale of "depository agreements" to more than 220 investors in 11 states, including at least 63 investors in Alabama. He was accused of fraudulently raising in excess of \$10 million from his victims.

### **Talladega County**

#### **Sylacauga Man Arrested for Alleged Violations of Alabama Securities Act**

(October 27, 2008) Gary Allen Mitchell, a Sylacauga resident, was arrested for alleged violations of the Alabama Securities Act by deputies of the Talladega County Sheriff's Department on October 16, 2008 after turning himself in and later released under a \$10,000 bond. A ten count indictment was returned against Mitchell by the Talladega County Grand Jury on October 6, 2008 alleging six counts of Fraud in Connection with the Sale of Securities; three counts of Sale of Unregistered Securities; and, one count of Sale of Securities by an Unregistered Agent. The indictment alleges that Mitchell, doing business as The Meta Company, and also representing The Financial Center, LLC, both located in Sylacauga, Alabama, offered and sold promissory notes valued at approximately \$95,000 to an Alabama investor seeking long-term conservative investment opportunities...

### **Tuscaloosa County**

#### **Tuscaloosa County Man Pleads Guilty to Violations of Alabama Securities Act**

(February 9, 2009) Howard Jackson Cleveland, Jr., also known as "Tiny" Cleveland, a Tuscaloosa resident, has pled guilty in Circuit Court to violations of the Alabama Securities Act. Cleveland, having done business as Compass Trading Enterprises, offered and sold promissory notes to three Alabama investors with assurance of investing their money in an overseas oil venture he purportedly owned. He misled the investors by claiming that substantial returns had been previously realized on the venture and that additional sizable returns could be expected. None of the Alabama investors received returns on their investments. As part of Cleveland's sentence, he will pay \$31,750 in restitution to his victims.

#### **Tuscaloosa County Man Indicted for Alleged Violations of Alabama Securities Law**

(April 8, 2008) Howard Jackson Cleveland, Jr., also known as Tiny Cleveland, 74, a resident of Tuscaloosa, Alabama was indicted for alleged violations of the Alabama Securities Act by a March 2008 session of the Tuscaloosa County Grand Jury.





# ALABAMA

## Securities Commission

Joseph P. Borg, Director

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## News Releases for 2008

**These are releases from the ASC website that include announcements, commentaries and investor alerts.**

**To read these articles and more go to:  
[www.asc.alabama.gov](http://www.asc.alabama.gov)**

[12/30/2008](#) - Alabama Securities Commission Announces Key Appointments and Administrative Changes

[12/12/2008](#) - Joseph Borg Appointed to Represent International Securities Organization as Ombudsman and Chair of International Committee.

[12/11/2008](#) - NASAA's Financial Services Regulatory Reform Roundtable press conference and webcast in Washington D.C.

[11/24/2008](#) - Regulatory Reform: A Multi-layered Approach

[11/24/2008](#) - Feeling the Squeeze: Alabama Securities Commission Offers Sandwich Generation Relief

[11/10/2008](#) - Securities Director Reminds Auction Rate Securities Investors to Contact Firms About Buyback Offers

[11/03/2008](#) - State Official Invited to Present at Corporate Governance Conference in Taiwan

[10/31/2008](#) - Alabama Securities Commission Announces IARD System Fee Waiver

[10/14/2008](#) - The Alabama Securities Commission and AARP Team to Offer "Free Lunch Seminar Monitor" Program Older Americans Increasingly Targeted By Financial Scammers.

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## News Releases for 2008

**(continued: announcements, commentaries and investor alerts.)**

**To read these articles and more go to:  
[www.asc.alabama.gov](http://www.asc.alabama.gov)**

[09/26/2008](#) - Alabama Investors to Participate in Settlements over the Sale of Auction Rate Securities.

[09/25/2008](#) - State Agencies Warn about Internet Lottery and Sweep-stake Scams

[06/17/2008](#) - Alabama Securities Commission Identifies Traps Likely to Burn Investors this Summer

[04/13/2008](#) - ASC Director on National NBC Dateline hidden camera investigation

[04/10/2008](#) - Joseph Borg, Delegate to United Nations Committee that Receives Special Recognition

[04/01/2008](#) - IRS and Alabama Securities Commission Warn of Top 10 Scams

[03/25/2008](#) - ASC, NASAA, SIPC Offer Answers to Investors Concerned About the Safety of Their Brokerage Accounts

[03/20/2008](#) - State agencies create Alabama Annuities Task Force

[03/12/2008](#) - Alabama Securities Commission Hosts SEC Chairman and Investor Education Partners

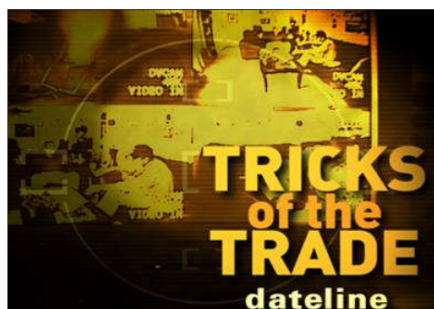
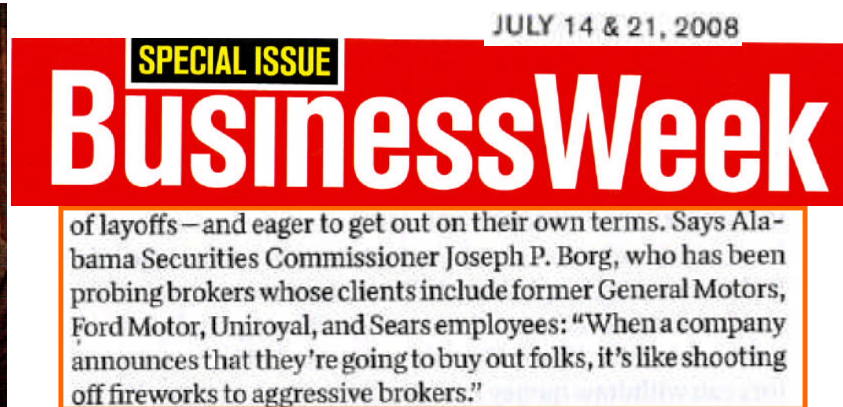
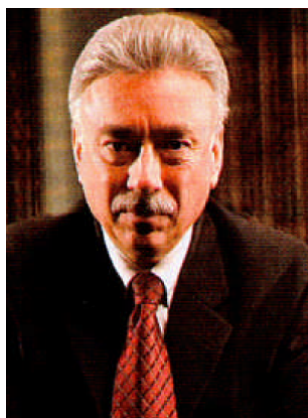
[01/07/2008](#) - Alabama Securities Commission Senior Special Agent Receives National Enforcement Award

## THE WALL STREET JOURNAL.

OCTOBER 3, 2008

### When Stocks Tank, Some Investors Stampede to Alpacas and Turn to Drink

Not everyone thinks alternative investments are a great idea. The Alabama Securities Commission over the weekend issued an "investor alert" urging caution. People are "panicking," says securities director Joseph Borg. He worries that investors who yank their money out of the stock market are prey for con artists hawking things like phantom oil wells.



**A Dateline hidden camera investigation sees what insurance agents say -- and what they don't -- when they think they are alone with a senior**

**By Chris Hansen**

Correspondent

NBC News

updated 10:03 a.m. CT, Wed., April.  
23, 2008



## *Investor Education and Fraud Prevention Outreach Program*

### ***Promoting Investor Protection Through Instruction and Preparation*** **Education and Public Affairs Office**

The ASC's Education Office serves a fundamental but indispensable service pursuant to the agency's mission to protect investors from securities fraud and to preserve legitimate capital markets in Alabama.

During the past year, ASC's Education Office has promoted personal finance education and fraud prevention techniques to citizens throughout Alabama, representing almost every age group. Educational outreach was provided to three distinct target groups: high school through college youth, working adults in affinity groups and seniors 50 years of age and older. The following paragraphs describe outreach activities tailored by group to provide effective information and education opportunities.

#### **Youth and Student Programs**

The ASC's Education Office is an active member of the Alabama Jump\$tart Coalition and works with other



**Hoover High School Financial Academy Visit ASC**

business, government and nonprofit agencies to promote financial literacy programs geared toward public and private middle and high school students. ASC offers two professionally developed financial literacy publications to state educators for classroom use. Basics of Savings and Investing is a teaching guide used in various business, math and social studies classes in grades 7-12. Additionally, high school economics teachers can obtain Personal Finance in the Economics Classroom to augment financial literacy instruction.

High School students and teachers from all over Alabama visit the Commission at no cost other than to provide their own transportation and lunch. Typical field trips last about four hours and include over two

hours of investor education and information about how ASC regulates the securities industry in Alabama. High School teachers may call 1-800-222-1253 and ask for the Education and Public Affairs Office to schedule a tailor made field trip.

#### **Affinity Group Programs**

The ASC Education Office has enjoyed tremendous success in carrying the Commission's investor education initiative to affinity groups throughout the state. Affinity groups are business, civic, religious, fraternal or other stakeholder organizations with common interests or goals. These groups are typically comprised of working professionals who invest in securities, assume certain levels of financial risk and can become involved in investment ventures that may or may not be legitimate. Presentations were made to Chambers of Commerce, Alabama State employee organization members of ASEA or ARSEA, real estate investment clubs, attorneys, civic leaders, Rotary Clubs, college business and finance students and instructors and Area Agency on Aging senior citizen service providers, among many others.

#### **Adult and Senior Citizens Programs**

Adults and senior citizens, aged 50 and older, comprise the fastest growing segment of our state and national population and hold a majority of the personal wealth. The ASC, as part of its mission, strives to make certain that Alabama's senior investors do not fall prey to unscrupulous and illegal investment schemes. The ASC Education Office partnered with the Alabama Department of Senior Services, The Alabama Attorney General's office, the Alabama Cooperative Extension System (ACES), AARP Alabama and other agencies to conduct adult and senior citizen outreach events throughout Alabama to promote personal finance skills, investor education and fraud prevention. ASC provided highly qualified staff members to make presentations and offered free printed and electronic educational materials for Alabama citizens.



*Investor Education and Fraud Prevention Outreach Program*

**Summary of Key Investor Education Activities**  
**Record of Alabama Securities Commission Presentations (Fiscal Year Ending 2008)**

<u>Date</u>	<u>County</u>	<u>Place</u>	<u>Number</u>	<u>Audience Type</u>
9/29/2008	<b>MONTGOMERY</b>	Montgomery, AL at the Commission	30	High School Students from Mobile, AL
9/26/2008	<b>CLEBURN</b>	Heflin, AL, Recreation Center	15	ACES Estate Planning seminar for seniors
9/25/2008	<b>JEFFERSON</b>	Bessemer, AL UAB Medical West	15	AARP & ASC - Seniors from the community
9/22/2008	<b>MARSHALL</b>	Guntersville, AL State Park Lodg	200	ARSEA senior members state wide
9/21/2008	<b>MACON</b>	Tuskegee, AL - Cooperative Ext Office	13	Rising Star Invest Club - seniors
9/12/2008	<b>MARENGO</b>	Demopolis, AL at the Sport Plex	18	ACES Estate Planning seminar for seniors
9/5/2008	<b>ST. CLAIR</b>	Odenville, AL -Bethel Baptist Church	60	ACES Estate Planning seminar for seniors
8/29/2008	<b>DALE</b>	Ozark Alabama	25	ACES Estate Planning seminar for seniors
8/22/2008	<b>HALE</b>	Greensboro, Alabama	35	ACES Estate Planning seminar for seniors
8/15/2008	<b>RUSSELL</b>	Phenix City, AL	97	ACES Estate Planning seminar for seniors
8/6/2008	<b>SHELBY</b>	Columbiana, AL	36	ACES Estate Planning seminar for seniors
8/5/2008	<b>WALKER</b>	Jasper, AL	15	AARP & ASC - Seniors from the community
7/24/2008	<b>TUSCALOOSA</b>	Tuscaloosa, AL partnered with AARP	24	AARP & ASC - Seniors from the community
7/22/2008	<b>JEFFERSON</b>	Birmingham, AL at BJCC, Bus Tech Teachers	450	Business Technical Teachers & Jump\$tart
7/15-16/08	<b>MOBILE</b>	Mobile, AL at the Renaissance Hotel	60	School teacher breakout seminars
7/14/2008	<b>DALE</b>	Dothan, AL at Troy University Campus with AARP	50	AARP & ASC - Seniors from the community
7/11/2008	<b>WALKER</b>	Jasper, AL	60	ACES Estate Planning seminar for seniors
7/9/2008	<b>DEKALB</b>	Ft. Payne, Western Sizzlin with AARP	6	AARP & ASC - Seniors from the community
6/23/2008	<b>MONTGOMERY</b>	Montgomery, AL at TrenholmTech	28	High School Students, Parents, Faculty
6/23/2008	<b>MONTGOMERY</b>	Montgomery, AL at the Commission	28	High School Students from Trenholm
6/19/2008	<b>ELMORE</b>	Millbrook, AL at the Civic Center	50	Millbrook Area Chamber of Commerce
6/11/2008	<b>ETOWAH</b>	Gadsden, AL - Senior Activity Building	130	ADSS-ASC Seniors from t community
6/6/2008	<b>CHILTON</b>	Clanton, AL - City Hall	35	ACES Estate Planning seminar for seniors
5/23/2008	<b>PIKE</b>	Pike County Economic Dev. Center	28	ACES Estate Planning seminar for seniors
5/17/2008		Sandestin, FL Alabama State Bar, Young Lawyers	30	Presentation to new lawyers
5/15/2008	<b>ELMORE</b>	Tallassee, AL at Talisi Hotel	50	Chamber of Commerce Leaders Elmore Cty
5/9/2008	<b>CLAY</b>	Lineville, AL at First United Methodist Church	18	ACES Estate Planning seminar for seniors
5/6-7/08	<b>MADISON</b>	Huntsville, AL - Senior Expo 2008 at Von Braun	1000	10k plus attended, display & talk with 1k
5/2/2008	<b>BLOUNT</b>	Oneonta, AL at Twin Oaks at Heritage	60	ACES Estate Planning seminar for seniors
4/26/2008	<b>MONTGOMERY</b>	Montgomery, AL at Madison Hotel	100	Seminar for Cont. Society, Inc. adults
4/23/2008	<b>BARBOUR</b>	Eufaula/Barbour County Chamber of Commerce	25	ACES Estate Planning seminar for seniors
4/22/2008	<b>JEFFERSON</b>	Birmingham, AL at St Lukes Church,	35	Seniors Organization at the church
4/19/2008	<b>MONTGOMERY</b>	Montgomery, AL - Southland Middle School	35	All ages from community and sororities
4/18/2008	<b>JEFFERSON</b>	Birmingham, AL at BJCC	80	FBLA High School students/teachers
4/9/2008	<b>MONTGOMERY</b>	Montgomery, AL at Gordon Persons Building	30	AL State Emp. Assn. chapter members
4/8/2008	<b>CALHOUN</b>	Oxford, AL - Oxford Civic Center	110	Calhoun/Cleburne/Talladega Cty seniors
4/4/2008	<b>BALDWIN</b>	Foley, AL - John Archer Agriculture Building	40	Seniors from Baldwin/Mobile Counties

(continued on next page)

*Investor Education and Fraud Prevention Outreach Program*

**Summary of Key Investor Education Activities (continued)**  
**Record of Alabama Securities Commission Presentations (Fiscal Year Ending 2008)**

<u>Date</u>	<u>County</u>	<u>Place</u>	<u>Number</u>	<u>Audience Type</u>
4/2-3/2008	JEFFERSON	Birmingham, AL at Winfrey Hotel	40	Alabama Gerontological Society conference
4/3/2008	JEFFERSON	Bessemer, AL at Public Library	35	Bessemer/West Jefferson AARP (seniors)
3/24/2008	TUSCALOOSA	Tuscaloosa, AL - Bryant Conf. Center	70	DECA State Conf. for high school students
3/21/2008	SUMTER	Livingston, AL at University of West Alabama	30	Seniors from Sumter County area
3/19/2008	CALHOUN	Glencoe, AL at N. Baptist Church	100	Students from Etowah Cty Schools
3/12/2008	MONTGOMERY	Montgomery, AL at RSA Plaza - Working Lunch	30	SEC Chair, NASAA, Ed Partners
3/11/2008	JEFFERSON	Birmingham, AL at Samford University	125	Business Students and Faculty
3/7/2008	BALDWIN	Foley, AL at Civic Center	15	ACES Seniors from local community
3/4/2008	MADISON	Huntsville, AL at Heritage Club	35	Fin&Est Planning Council Huntsville
3/4/2008	JEFFERSON	Birmingham, AL at Vestavia Hills Country Club	25	Alabama Profit Sharing Council
2/28/2008	MADISON	Huntsville, AL Fin and Estate Planning Council	125	Fin Industry - BD, IA, Ins etc.
2/28/2008	JEFFERSON	Center Point, AL at court house	250	Partner with AG to reach seniors
2/27/2008	MONTGOMERY	Montgomery, AL at the Commission	16	High School students-Oak Mtn.
2/6/2008	BULLOCK	Union Springs, AL at Great S. Outdoors	35	ACES Estate Planning seminar for seniors
1/29/2008	CHEROKEE	Centre, AL at Church "The Rock"	175	ACES & ASC - 10th graders from 5 schools
1/29/2008	MONTGOMERY	Montgomery, AL at Shiloh Baptist Church	280	Partner with AG to reach seniors
1/28/2008	JEFFERSON	Homewood, AL - Senior Center	120	Real Estate Investment Club
1/28/2008	LIMESTONE	Athens, AL Senior Center	180	Partner with AG to reach seniors
1/25/2008	MOBILE	Mobile, AL	175	Partner with AG to reach seniors
1/15/2008	JEFFERSON	Birmingham, AL at the Harbert Center,	50	Rotarians (Rotarack Youth)
1/11/2008	CHAMBERS	Valley, AL at Chamber's Library	67	ACES Estate Planning seminar for seniors
12/7/2007	MONTGOMERY	Montgomery, AL at RSA Plaza Terrace	30	Profession Auditor and Fin. Institution Club
12/4/2007	LEE	Auburn, AL - AARP Club Meeting	25	Adult citizens from local community
11/30/2007	ETOWAH	Gadsden, AL - Estate Planning/Investing	18	ACES Estate Planning seminar for seniors
11/19/2007	BALDWIN	Point Clear, AL - Alabama DA's Association	60	District Attorneys from Alabama
11/16/2007	MADISON	Huntsville, AL - Estate Planning/Investing	80	ACES Estate Planning seminar for seniors
11/16/2007	DALE	Ozark, AL at Senior Center	160	ADSS-ASC Senior Citizens
11/15/2007	BUTLER	Greenville, AL at First Baptist Church	80	ADSS-ASC Senior Citizens
11/14/2007	MONROE	Monroeville, AL at Vanity Fair Community House	60	ADSS-ASC Senior Citizens
11/13/2007	MOBILE	Mobile, AL at Tillman's Corner-Community Center	200	ADSS-ASC Senior Citizens
11/9/2007	MONTGOMERY	Montgomery, AL at RSA Plaza,	40	High School Field Trip from Dothan, AL
11/7/2007	CALHOUN	Anniston, AL	30	AARP & ASC - Seniors from the community
10/29/2007	HOUSTON	Dothan, AL at Flowers Hospital	70	Seniors - Partner with AG King's office
10/24/2007	MONTGOMERY	Montgomery, AL- ACES & AARP Inv Univ,	75	Partner with ACES & AARP—Seniors
10/19/2007	MOBILE	Mobile, AL at ASEA Annual Convention	400	Working and retired state employee's union
10/16/2007	MONTGOMERY	Montgomery, AL at RSA Plaza	40	High School Field Trip from Hoover, AL
10/2/2007	JACKSON	Scottsboro, AL - at new chapter meeting	25	AARP & ASC - Seniors from the community

**TOTAL NUMBER OF EVENTS: 74**

**TOTAL NUMBER OF CITIZENS REACHED: 6492**

# INDUSTRIAL REVENUE BONDS FY 2008

## INDUSTRIAL REVENUE BONDS

LESSEE	DATE SUBMITTED	FEE CHARGED	DATE ISSUED	AMOUNT OF ISSUE
The Medical Clinic Board of the City of Montgomery, Alabama; Jackson Imaging Center, LLC	11/13/07	\$1,000.00	11/18/07	\$5,800,000.00
The Medical Clinic Board of the City of Montgomery, Alabama; Jackson Surgery Center, LLC	11/13/07	\$1,000.00	11/18/07	\$13,200,000.00
The Walker County Economic & Industrial Development Authority of Alabama; Alabama Power Company Gorgas Plant Project	11/30/07	\$1,000.00	12/02/07	\$27,000,000.00
The Industrial Development Board of the City of Huntsville, Alabama; Brown Precision, Inc. Project	12/03/07	\$1,000.00	12/03/07	\$4,640,000.00
The Industrial Development Board of the City of Jasper, Alabama; Industrial Park Project City of Jasper	12/07/07	\$1,000.00	12/10/07	\$3,000,000.00
The Industrial Development Authority of Chambers County, Alabama; Daeki America, Inc. Project	12/14/07	\$1,000.00	12/17/07	\$7,400,000.00
The Industrial Development Board of the City of Andalusia, Alabama; Triple H Specialty Company, Inc.	1/07/08	\$125.00	1/09/08	\$250,000.00
The Industrial Development Board of the City of Calera, Alabama; Southern Rail Services, Inc.	4/21/08	\$1,000.00	4/22/08	\$10,000,000.00
The Industrial Development Board of the City of Thomasville, Alabama	6/25/08	\$250.00	6/30/08	\$500,000.00
The Industrial Development Board of the City of Mobile, Alabama	7/03/08	\$1,000.00	7/03/08	\$120,000,000.00
The Industrial Development Board of the Town of Orange Beach, Alabama	7/09/08	\$1,000.00	7/14/08	\$8,000,000.00
The Industrial Development Board of the City of Hamilton, Alabama	7/25/08	\$259.35	7/31/08	\$1,030,742.35
The Butler County Industrial Development Authority; International Paper Company	9/02/08	\$1,000.00	9/08/08	\$3,500,000.00
The Industrial Development Board of the Town of Chatom, Alabama; PowerSouth Energy Cooperative (Chatom Gulf Opportunity Zone Bonds, Series 1008-A)	9/03/08	\$1,000.00	9/07/08	\$125,000,000.00
The Industrial Development Board of the City of Decatur, Alabama; Magic Steel Sales, LLC	9/09/08	\$1,000.00	9/09/08	\$8,643,990.00
		TOTAL FEES \$12,634.35		Total Amt of Issues \$337,964,732.35



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