

ALABAMA SECURITIES COMMISSION

LEGISLATIVE UPDATE



Investor Education and Fraud Prevention Outreach Program

Report of Investor Education and Fraud Prevention Activities
(Fiscal Year 2009, October 1, 2008 - September 30, 2009)

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Visit www.asc.alabama.gov to learn valuable tips to protect yourself from securities fraud and to learn how to make an informed investment decision. Other information includes agency directory, free investor education and fraud prevention materials, news releases, administrative actions, statutes, regulations and policies, filing requirements, complaint and presentation request forms, helpful website links and more.

Investor Education and Fraud Prevention Outreach Program

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Investor Education and Fraud Prevention Outreach Program

Director's Comments

The Alabama Securities Commission (ASC) advocates and promotes a vigorous Investor Education and Fraud Prevention Outreach program to help assure that Alabama's "main street" investors—the moving force that propels our state's economic vitality—have the knowledge and tools necessary to build and safeguard their financial futures. The Commission's investor education and fraud prevention outreach program serves as the first line of defense against financial crimes that target our citizens' personal financial assets. The ASC's Education and Public Affairs Office delivers timely, insightful investor protection information to all segments of our state's population. During the past fiscal year, investor and fraud prevention education events were conducted at 70 locations and more than 5,400 Alabama citizens received valuable information to help safeguard their estates, to better protect themselves from financial predators and the knowledge to make informed investment decisions.



Joseph P. Borg

Outreach efforts targeted three specific age groups, each with its own distinct financial/investment characteristics: high school and college youth; working adults in affinity groups; and, seniors 50 years of age and older. Successful youth outreach was achieved through continued partnerships with the Department of Education, Alabama Jump\$Start Coalition and the Alabama Cooperative Extension System (ACES). Through combined resources and by assisting these agencies to apply for and secure grants directly from the Investor Protection Trust in Washington, D.C., Alabama's youth received personal finance and investor education in several existing business and technical curricula in grades 7-12. The Commission partners with ACES to host numerous Estate Planning Seminars throughout Alabama to reach working adults and retirees. The Commission's partnership with the Alabama Department of Senior Services, the Attorney General's Office of Consumer Protection, ACES Estate Planning program and several professional and civic organizations provided thousands of retirees the facts they need for successful money management, wise investing and recognizing and avoiding financial scams. The Alabama Securities Commission is dedicated to helping Alabama citizens build and protect their personal financial assets so they can enjoy their retirement years in relative financial comfort.



Dan Lord, Manager

ASC EDUCATION CORNER ***Promoting Investor Protection*** ***Through Instruction and Preparation***

The ASC's Education and Public Affairs Office serves as a strong, pre-emptive force to protect citizens of Alabama from becoming victims of securities fraud and enhances their ability to make informed investment decisions through educational presentations, free literature and information.



Clint Niemeyer, Public Affairs Specialist

Estate Planning for Working and Retired Adults

The Alabama Securities Commission collaborated with the Alabama Cooperative Extension System (ACES) to continue hosting Estate Planning Seminars targeting Alabama citizens ages 50 and older throughout the state in FY 2009. ASC worked closely with ACES to apply for and acquire a \$10,000 grant from the Investor Protection Trust (IPT) in Washington, D.C., to conduct investor education and fraud prevention outreach events during the fiscal year in counties across Alabama.

ASC Education and Public Affairs staff gave insightful, informative presentations on the mission of, and services offered by, the Commission to Alabama citizens. Also, seminar participants learned “What Seniors Should Know to Make Informed Investment Decisions,” and received several useful handouts on relevant financial education topics. The presentations explained to retirees and senior investors how their personal financial assets—often the largest single portion of their estates—are targeted by financial predators, the facts they need to avoid unsuitable financial offers and how to recognize the elements of investment fraud. Joining ASC presenters during the year at each event was Dr. Robert A. Tufts, Auburn University Associate Professor and estate planning attorney. Dr. Tufts spoke of the benefits of long-term estate planning and the various components of a well-structured estate plan, such as powers of attorney and advance directives for health care, among others. During FY2009, Estate Planning Seminars reached citizens in Autauga, Bibb, Conecuh, Cullman, Choctaw, Jackson, Lee, Macon, Pickens and St. Clair Counties.

Investor Education and Fraud Prevention for Seniors

One of the Commission’s most successful continuing partnerships for senior education and outreach is with the Alabama Department of Senior Services (ADSS) and its network of Area Agencies on Aging in many counties of Alabama’s regional planning and development districts. ASC’s partnership with ADSS provides staunch advocacy for the overall social, medical and financial health of Alabama’s senior citizens. This year’s events reached more than 3,000 seniors across the state. The following list of events highlights senior outreach efforts during the year:

- State Medicare Patrol (SMP) Fraud Summit— “Guarding Against Scams and Fraud.” These popular events were held in conjunction with local Better Business Bureaus and other professional organizations to reach seniors, their families and caregivers, to teach the knowledge necessary to avoid becoming victims of crime, methods to use in order to protect against waste, fraud and abuse and where to get help for seniors who may have been victimized.

- Caregiver and Elder Abuse Workshops—Highly qualified ASC staff joined ADSS personnel to make informative presentations to nursing, nursing home/assisted living, home health, social services, legal and other senior care providers on how to recognize and address specific problems that their senior clients may face, such as elder abuse, financial fraud and exploitation, identification theft, estate planning and other legal issues.

- Elder Abuse Awareness Rally — ASC joined forces with ADSS and the Alabama Civil Justice Foundation at the Alabama State Capitol to bring attention to the specialized legal, social, health and medical needs of Alabama seniors and to send a powerful message that state and federal agencies stand ready, willing and able to use every resource available to protect Alabama’s seniors from circumstances that might adversely affect their long-term safety, happiness and financial well-being.

- “Let’s Talk Turkey” About Medicare Tour — ASC partnered with ADSS to teach seniors throughout Alabama the most current and critical information concerning Medicare coverage and how to shield themselves from financial fraud often hidden behind too-good-to-be-true healthcare “options” being touted to seniors.

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Investor Education and Fraud Prevention for Seniors

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- For the fifth consecutive year, ASC staff participated in the 2009 Senior Expo at the Von Braun Civic Center in Huntsville. This annual event brings together thousands of senior citizens from across northern Alabama to see the many products and services available to them from dozens of professional service providers. ASC staff members were on hand to answer individuals' questions and concerns and to distribute a wealth of personal finance, investor education and fraud prevention materials to hundreds of seniors during the day-long event.

- ASC staff, partnering with AARP, participated in the Jackson County Senior Expo in Scottsboro. This free event hosted several hundred seniors from Jackson, DeKalb, Madison and Marshall Counties in north Alabama and was designed to give those 50 years and older information about various resources available to them that could help safeguard their health, safety and financial independence. ASC also partnered with AARP specialists to host several financial workshops in central and south Alabama to discuss important financial and fraud prevention topics and to answer questions from seniors about saving, borrowing, investing, reverse mortgages, investment fraud, retirement and pension issues.

ASC Military Outreach Program and Special Website Area

“Protect Alabama Troops” (PATS) is an information-based resource, accessible on ASC’s webpage, www.asc.alabama.gov, consisting of appropriate, practical news, tips and advice for Alabama’s active-duty, guard and reserve military, as well as retired military and veterans. The site is specifically designed to assist them and their family members to make informed investment decisions and avoid becoming victims of financial fraud before, during and after deployment and in the transition to military, retired or civilian life.

Increasingly, military personnel are prominent targets for con artists who use aggressive and often illegal sales practices to entice service men and women to spend their savings on questionable or unsuitable financial products and services. PATS will function as a primary information resource for military personnel who want to keep on the right track financially and help protect themselves and their families from financial abuses and outright fraud. Service men and women can use the PATS link to learn valuable information concerning inappropriate sales practices, affinity fraud, excessive investment fees and unsuitable financial products, among many other relevant topics.

Informative and sensible reading resources recommended for military personnel and their dependents include free services offered by the ASC, tips for making sound investment decisions, red-flag phrases for investment fraud and the Commission’s annual list of popular investment scams. Also available are online versions of notable investment pamphlets and a new military outreach guide developed by Kiplinger’s Personal Finance. All material on the PATS site is free of charge and may be reprinted and used to educate family members about making informed investment decisions and recognizing and avoiding fraudulent practices. Hard copies of all publications may be ordered by contacting the Commission’s Education and Public Affairs Office; military installation/unit trainers and educators may request larger quantities of materials to enhance military and dependent personal finance education programs. Highly qualified ASC staff members are available to visit installations/units upon request and conduct seminars on a variety of topics including personal finance, investor education, and fraud prevention. ASC may be able to assist military trainers or educators to apply for grant funds, in support of investor education and fraud prevention events, through the Investor Protection Trust (IPT) in Washington, D.C.

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Investor Education and Fraud Prevention Outreach Program

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ASC Military Outreach Program and Special Website Area

Director Borg said, “We believe in our military and have supported recent deployments of key ASC employees, who are members of the Guard/Reserves, in support of Middle-East defense initiatives. Our Education and Public Affairs manager has over 25 years of active, guard, enlisted and commissioned service and is the primary contact for an international military outreach program and working as a non-profit partner with the Department of Defense, Financial Readiness Campaign. If we get inquiries from any military personnel, in any status, or their dependents, you can be assured this Commission will put our best foot forward to help provide information or investigate complaints and concerns as necessary.”

Military personnel and their dependants who may be considering investment opportunities can contact the ASC, toll-free, 1-800-222-1253, with inquiries about the registration status of financial products, licensing requirements for those individuals or companies offering or selling financial products or services to military families in Alabama, to lodge a complaint, to report suspected fraud or to receive consumer information.

Investor Education for Visually Impaired Alabamians

The Alabama Securities Commission’s Office of Education and Public Affairs, in September 2009, partnered with the Alabama Department of Rehabilitation Services’ OASIS Program at Snead State Community College in Boaz, Alabama. The Older Alabamians System of Information and Services (OASIS) is a statewide program of 20 vision loss support groups working collectively to enhance the quality of life for Alabama citizens, 55 years and older, who have either partial or total vision loss. The OASIS program helps equip vision impaired Alabamians to participate in all life activities, even those thought to be exclusively for people with normal vision. OASIS support group meetings are devoted not only to topics related to vision loss, but to a variety of other life concerns, with the goal to encourage and equip people with vision limitations to return to former interests and to live a full life.



To help ensure that these vision impaired individuals in the Marshall County, Alabama area have the necessary tools to advance their financial literacy, maintain control of their personal finances during challenging financial times and have the most current and accurate information available to help safeguard them from financial fraud, highly qualified ASC staff presented “What Seniors Should Know to Make Informed Investment Decisions.” The presentation focused on the various elements of financial fraud, a discussion of how to identify fraudulent practices and the steps to take if fraud is suspected or perpetrated against group members or their families. ASC staff answered individual inquiries and distributed to participants a wealth of personal finance, investor education and fraud prevention materials. Some of the training materials were customized and printed in very large text for this presentation.

Investor Education and Fraud Prevention Outreach Program

Summary of Key Investor Education Activities/Presentations (Fiscal Year 2009, October 1, 2008 - September 30, 2009)

<u>Date</u>	<u>Place</u>	<u>Number</u>	<u>Audience Type</u>
9/29/2009	Montgomery, AL - Joint Leadership Dev. Conf	260	High school students - four seminars
9/25/2009	Cullman, AL - ACES Estate Planning Event	40	Senior citizens from the local community
9/11/2009	Tuskegee, AL - ACES Estate Planning Event	14	Senior citizens from the local community
9/10/2009	Boaz, AL at Snead Comm. College for OASIS	14	Seminar for citizens with vision impairment
9/10/2009	Mobile, AL - ARSEA Annual Conference	120	Seminar conducted for retired state employees
9/9/2009	Mobile, AL - ARSEA Annual Conference	100	Talk with retired state employees at booth
8/28/2009	Autaugaville, AL - ACES Estate Planning Event	60	Senior citizens from the local community
8/21/2009	Carrollton, AL - ACES Estate Planning Event	25	Senior citizens from the local community
8/14/2009	Birmingham, AL at UAB campus	65	Certified Fraud Examiners - Continuing Ed
8/6/2009	Pell City, Jeff State College ACES Estate Planning	24	Senior citizens from St. Clair County area
7/21/2009	RSA Plaza, Montgomery, AL	30	AL IE supporters and Mr. Ketchum from FINRA
7/21/2009	Birmingham BJCC, Teachers Conference	100	High school teachers from across Alabama
7/20/2009	Birmingham, AL -Federal Reserve	20	High school teachers from across Alabama
6/26/2009	Woodstock, AL - ACES Estate Planning Event	7	Senior citizens from Bibb/Tuscaloosa Counties
6/15/2009	Gadsden, AL with Area Council on Aging	100	Senior citizens from Choctaw County area
6/15/2009	Montgomery, AL at the State Capitol with ADSS	82	Senior citizens from Central Alabama
6/12/2009	Tuskegee with AL S. Central AL Dev. Comm.	20	Professional caregivers for senior citizens
6/10/2009	Butler, AL - ACES Estate Planning Event	15	Senior citizens from Choctaw County area
6/8/2009	Montgomery, AL - Trenholm Tech	25	High school students in summer program
6/3/2009	Dothan, AL at the SARCOA Center	82	Senior citizens/residents from 7 SE counties
5/28/2009	Montgomery, AL - Eastdale Assisted Living	43	Senior citizens/residents
5/27/2009	Orange Beach, AL - ADAA (District Attorneys)	65	Victim Services Officer Counselors
5/27/2009	Opelika, AL - Area Agency on Aging	70	Senior citizens from the Auburn/Opelika area
5/21/2009	Florence-Lauderdale, AL - Coliseum with BBB	60	Senior citizens from the local community
5/15/2009	Scottsboro, AL - ACES Estate Planning Event	15	Senior citizens from the Scottsboro area
5/14/2009	Montgomery, AL - Dept of Edu., Career Tech	9	In-service financial training to ASAs
5/9/2009	Greenville, AL - Pilgrims Baptist Church	20	Area church members and leaders
5/7/2009	Birmingham, AL - NAIFA Sales Symposium	300	Financial Advisors and insurance sales
5/6/2009	Hayneville, AL - Lowndes County Senior Center	125	Senior citizens from the Hayneville area
5/5/2009	Huntsville, AL - Senior Expo 09 at Von Braun Center	450	Senior citizens from North Alabama region
5/1/2009	Decatur, AL - Scam Jam event with NARCOG	200	Senior citizens from the Decatur area
4/28/2009	Tuscumbia, AL - ARSEA chapter meeting	45	Retired state employees
4/24/2009	Mobile, AL - ARSEA chapter meeting	80	Retired state employees
4/22/2009	Selma, AL - ADSS Fraud Summit	26	Senior citizens from the local area
4/15/2009	Birmingham, AL - ARSEA chapter meeting	50	Retired state employees
4/8/2009	Montgomery, AL - RSA Plaza, at the Commission	18	Shades Valley HS field trip

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Investor Education and Fraud Prevention Outreach Program

Summary of Key Investor Education Activities/Presentations (Fiscal Year 2009, October 1, 2008 - September 30, 2009)

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<u>Date</u>	<u>Place</u>	<u>Number</u>	<u>Audience Type</u>
4/8/2009	Chatom, AL - ARSEA chapter meeting	15	Retired state employees - teachers
4/7/2009	Montgomery, AL - ARSEA chapter meeting	125	Retired state employees
4/7/2009	Montgomery, AL - Capitol City Club	45	Montgomery Estate Planning Council
4/1/2009	Tuscaloosa, AL - YMCA	20	Wise Men business group members
3/19/2009	Tuscaloosa, AL - Senior Citizens Center	80	Senior citizens from Tuscaloosa
3/17/2009	Montgomery, AL - Montgomery Country Club	12	Health Underwriters Association
3/16/2009	Wetumpka, AL - Shoney's restaurant	22	Wetumpka area Lions Club
3/13/2009	Evergreen, AL - ACES Estate Planning event	20	Senior citizens from the Evergreen area
3/10/2009	Russellville, AL - ADSS Fraud Summit	225	Senior citizens from the Russellville area
3/5/2009	Prattville, AL - Doster Civic Center	35	Prattville Lions Club members
2/27/2009	Mobile, AL - Area Agency on Aging	350	Senior citizens from the Mobile area
2/20/2009	Montgomery, AL - Shiloh Mission Baptist Church	260	Senior citizens from the Greenville area
2/5/2009	Hoover, AL - Public Library	80	Keynote at NAPFA - adults from local area
2/3/2009	Clanton, AL - 1st United Methodist Church	60	Chilton County Chamber of Commerce
2/3/2009	Florence, AL - Marriott Civic Center	35	Shoals area Civitans
1/31/2009	Greenville, AL - Pilgrim Rest Baptist Church	20	Adult church members and pastors
1/21/2009	Scottsboro, AL - Goose Pond Civic Center	50	Seniors from the local community
1/15/2009	Anniston, AL - Classic in Noble	25	NAIFA - insurance and investment advisors
1/7/2009	Montgomery, AL - Piccadilly Cafeteria	35	Alabama Power retirees
12/9/2008	Wetumpka, AL at Shoney's	20	Rotarian Club members
12/4/2008	Opelika - Saugahatchee Country Club	60	Adult members of Kiwanis Club
12/1/2008	Montgomery, AL - United Methodist Church	35	Adults middle age to Senior from local area
11/20/2008	Birmingham, AL - Botanical Gardens	100	ADSS Medicare Van Tour for seniors
11/19/2008	Tuscaloosa, AL - Senior Center with ADSS	300	ADSS Medicare Van Tour for seniors
11/18/2008	Cullman, AL - Northbrook Baptist Church	60	ADSS Medicare Van Tour for seniors
11/17/2008	Florence, AL - Cross Point Church of Christ	250	ADSS Medicare Van Tour for seniors
11/15/2008	Montgomery, AL - AUM Business School	60	IPT and ACEE event with Girl Scouts
10/22/2008	Millbrook, AL - Oak & Ivy Dreams with AARP	8	Seniors from the local community
10/17/2008	Montgomery, AL - RSA Plaza, at the Commission	33	UAB finance students
10/15/2008	Florence, AL - Shoals Chamber of Commerce	8	AARP and seniors from local area
10/9/2008	Montgomery, AL - Alabama Activities Center	85	Association of Gov. Accountants
10/6/2008	Robertsdale, AL - Mama Lou's restaurant	13	AARP and seniors from local area
10/3/2008	Opelika, AL - area Elk's Club with ACES	41	Members of the Elk's Club and citizens
10/2/2008	Prattville, AL - Doster Civic Center	35	Prattville Lions Club members
<u>NUMBER OF EVENTS - TOTAL:</u>		70	
<u>RECEIVED INVESTOR EDUCATION - TOTAL:</u>		5401	

