



The mission of the
Alabama Securities Commission
is to protect investors from
securities fraud and preserve
legitimate capital markets
in Alabama.

ANNUAL REPORT

Fiscal Year Ending
September 30, 2010

ALABAMA SECURITIES COMMISSION (ASC)
ANNUAL REPORT FY 2010
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Prepared and submitted pursuant to *Code of Alabama, 1975, § 8-6-53(d)*.



MISSION & OVERVIEW

The goal of the Alabama Securities Commission (ASC) is to protect Alabama citizens from deceptive and illegal practices associated with offers, sales and purchases of securities in Alabama. In order to meet this goal, the ASC carries out three important functions: registration, enforcement and education, and strives to continually refine and strengthen its role as a staunch advocate for Alabama's "main street" investors.

The ASC's efforts to help shape investor protection legislation at both the state and national levels help sustain investor confidence by promoting efficient regulatory policy, controlling fraudulent practices through stringent enforcement and promoting financial literacy, investor education and fraud prevention awareness to all Alabama citizens.

The ASC administers and enforces the Alabama Securities Act, Sale of Checks Act, and Pre-Issuance Procedures for Industrial Revenues Bonds. These laws empower the ASC to exercise jurisdiction over securities offered, issued and sold in Alabama or to Alabama residents, including the registration of certain securities, the granting of specific exemptions from registration of securities and securities transactions and the denial, suspension and revocation of registration or licensing. The ASC helps foster legitimate capital opportunities for businesses and industries throughout Alabama in the following ways:

- By requiring the registration of securities prior to their public sale;
- By requiring the registration of dealers, agents, investment advisors and investment advisor representatives and by regulating their activities;
- By providing civil remedies for violations of the Act; and
- By providing administrative, civil and criminal penalties for those who participate in the unlawful sale of securities.

The Alabama Securities Commission is committed to providing the strongest possible investor protection and will continue to apply all its resources and expertise to ensure fair and transparent markets for Alabama investors and to continue to aggressively enforce applicable laws.

MISSION

The mission of the Alabama Securities Commission (ASC) is to protect investors from securities fraud and preserve legitimate capital markets in Alabama.

ASC STATUTORY AUTHORITY

The Commission is responsible for administering and enforcing the laws of State of Alabama relative to:

Sec. 8-6-1, *et seq.* - Securities Act No. 740
(1969 Regular Session) and as amended

Sec. 8-6-110, *et seq.* - Industrial Revenue Bonds Act
No. 586 (1978 Regular Session)

Sec. 8-7-1, *et seq.* - Sale of Checks Act No. 177
(1961 Special Session)

The Commission's authority extends to **any activity involving the issuance, offering, sale, and other related transactions involving securities made within, into, or from the State of Alabama.**

The purpose of the Securities Act is to protect investors from fraud and to preserve legitimate capital markets. The accomplishment of these objectives is legislatively provided for in five different ways by:

Requiring the registration or the specific exemption from registration of securities prior to their public or private offer of sale;

Requiring the licensing of Broker/Dealers and salesmen and regulation of their activities;

Requiring the licensing of Investment Advisers and Investment Adviser Representatives and regulation of their activities;

Providing civil remedies to purchasers of securities sold in violation of the Acts; and

Providing administrative, civil, and criminal penalties for those who participate in the unlawful sale of securities.

Through its legislative mandate, the Commission and its staff assist Alabama businesses during capital formation and protects Alabama issuers, businesses, and residents from fraudulent securities transactions. The Commission does not recommend or endorse broker/dealer firms, salesmen, investment adviser firms, representatives, or the purchase of any securities, nor does it pass upon the accuracy or completeness of any prospectus, private placement memorandum or sales literature.

ASC PURPOSE

The Alabama Securities Commission (the “Commission”) administers and enforces the following Alabama statutes: THE ALABAMA SECURITIES ACT, including the Sale of Checks Act and the Pre-Issuance Procedures for Industrial Revenue Bonds. The Commission is comprised of seven Commissioners, consisting of the Attorney General, the Superintendent of Banks, the Commissioner of Insurance, two Attorneys and two Certified Public Accountants.

The Commission is functionally divided into the following six divisions: (1) Directorate; (2) Legal; (3) Accounting/Personnel; (4) Data Systems; (5) Education and Public Affairs; (6) Enforcement; (7) Registration/Examinations.

The function of the Commission and its staff is to regulate the sale of securities and the securities industry in Alabama. The Commission’s jurisdiction encompasses all securities offered, issued or sold in, or to, Alabama or to Alabama residents. The Securities Act requires the registration of all securities offered for sale in Alabama unless there is an applicable exemption. The Securities Act provides a series of exemptions to cover situations where, because of the nature of the security or the character of the transaction, registration is not deemed to be necessary in the public interest or for the protection of investors.

With respect to the responsibility for regulating the securities industry in Alabama, the Commission maintains as its primary objective the encouragement of investor protection and confidence in the investment industry. In this respect, all persons who propose to act as broker-dealers, agents (registered representatives), investment advisers or associated persons (investment adviser representatives) must be licensed by the Commission prior to engaging in such activities.

The Sale of Checks Act requires the filing of an application and issuance of a license before engaging in the business of selling, issuing or dispensing checks or receiving money as an agent for obligors for the purpose of paying obligor’s bills, invoices or accounts, including debt management of credit counseling services.

The Commission’s functions also include pre-clearance of industrial revenue bonds, the investigations of alleged violations of the provisions of the above-referenced statutes along with the initiation of administrative, civil and criminal proceedings and case referrals to other agencies where appropriate.

The primary purpose of the regulatory responsibilities and objectives described above is to protect the public from fraudulent practices in connection with the offer, sale, and purchase of securities in Alabama while encouraging, at the same time, the financing of legitimate business and industry in the state.

ASC COMMISSION

The Alabama Securities Commission members are the Attorney General, the State Superintendent of Banks, the State Insurance Commissioner (by virtue of their offices). Also, two attorneys and two certified public accountants are appointed by the Governor from lists of nominees submitted by the Alabama Bar Association and the Alabama Society of Certified Public Accountants and confirmed by the Senate. The Commission maintains oversight, provides policy guidance and establishes rules for the performance of its functions and the accomplishment of its purpose. The members of the Commission during Fiscal Year 2009-2010 were:

ACTIVE

MARCUS J. WOLF Chairman	Certified Public Accountant Montgomery, Alabama	05/08-Present
DANIEL C. HARDMAN, CPA Vice Chairman	Certified Public Accountant Birmingham, Alabama	03/02 – 12/10
TROY KING, ESQ., Member	Attorney General Montgomery, Alabama	03/04 - 01/11
JOHN D. HARRISON, Member	Superintendent of Banking Montgomery, Alabama	02/05 - Present
JIM L. RIDLING, Member	Commissioner of Insurance Montgomery, Alabama	09/08 - Present
ANDREW P. CAMPBELL, Member	Attorney at Law Birmingham, Alabama	05/08 - Present
S. DAGNAL ROWE, SR., Member	Attorney at Law Huntsville, Alabama	06/08 - Present

ASC PERSONNEL

Directorate

Joseph P. Borg, Director
 J. Randall McNeill, Deputy Director
 Christie A. Rhodes, Executive Assistant II
 Sarah J. Pike, Admin. Support Asst. II

Legal Division

Edwin L. Reed, General Counsel
 Gregory M. Biggs, Attorney III
 Jane L. Brannan, Attorney III
 Leslie D. Worrell, Attorney I/II
 Kimathy J. Booher, Legal Research Asst.
 Marion D. Newcomb, Legal Research Asst.
 Amanda L. Senn, Student Aide

Accounting/Personnel Division

Renee S. Sanders, Accounting Manager
 Gwendolyn Lover, Account Clerk
 Matthew R. Hays, Clerical Aide

Data Systems Division

David E. Gilmore, IT Systems Specialist
 Stephen E. Brantley, Jr., IT Operations Tech.

Education and Public Affairs Division

Daniel G. Lord, Training Specialist II
 Clint L. Niemeyer, Public Information Specialist

Enforcement Division

John M. Foley, Sr. Special Agent;
 Manager/Enforcement

Ricky G. Locklar, Sr. Special Agent
 Manager/Administrative

Charles A. Traywick, Special Agent Michael L.
 Gantt, Special Agent

Jerry T. Hankins, Sr., Special Agent

Paul A. Gugliotta, Special Agent

Charles G. Harrison, Special Agent

Steven R. Jones, Special Agent

Kimberly S. Lewis, Special Agent

Michael D. Wilkerson, Special Agent

Rossie L. Peters, Special Agent

Charles R. James, Jr., Special Agent

Anita F. Wilkerson, Executive Secretary

Dawn M. Matthews, ASA III

Carrie L. Springer, ASA II

Shirley S. Fetters, ASA II

Registration Division

Lisa M. Tolar, Manager
 Department of Licensing and Registration

Rena H. Davis, Manager
 Department of Auditing and Examinations

Marvernitha B. Kyles, Securities Analyst
 LaShonda D. Moultrie, Securities Analyst
 Sandra D. Smith, Securities Analyst
 Tina M. Tell, Securities Analyst
 Chelaynea C. Blanks, Securities Analyst
 Teri T. Johns, ASA III
 Mary G. Rollan, ASA III
 Patricia J. Wilson, ASA II

Marilyn D. Bullard, Securities Analyst
 Lauren W. Hitt, Securities Analyst
 Spencer D. Lee, Securities Analyst
 Robert W. Sharp, Securities Analyst
 Ashlee S. Brereton, ASA II

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ALABAMA SECURITIES COMMISSION REGULATORY SERVICES PROGRAM

APPROPRIATION DESCRIPTION

The Alabama Securities Commission assists Alabama businesses during capital formation and protects Alabama's issuers, businesses and residents from fraudulent securities transactions. The Commission does not recommend or endorse broker-dealer firms, salesmen, investment adviser firms, representatives or the purchase of any securities; nor does it pass upon the accuracy or completeness of any prospectus, private placement memorandum or sales literature. The Commission does, however, bring administrative, civil, and criminal actions including receiverships, the issuance of warrants, preparation of indictments, and conducts trials when necessary. Extensive examinations and investigations are conducted by Commission personnel, including multi-jurisdictional investigations and joint cases with Federal, state and local law enforcement or regulatory agencies.

FUND 374: Sale of Checks Fund. The Sale of Checks Act requires the filing of an application and issuance of a license before engaging in the business of selling, issuing, or dispensing checks or receiving money as an agent for obligors for the purpose of paying obligors bills, invoices or accounts. Section 8-7-1, *et seq.*, Sale of Checks Act No. 177 authorizes the Commission to accept applications, conduct investigations with respect to said applications, require bond and conduct examinations as necessary.

FUND 375: Securities Commission Fund. The Commission is responsible for administering and enforcing laws of the State of Alabama relative to the Alabama Securities Act, § 8-6-1, *et seq.*, Securities Act No. 740. The purpose of the Act is to protect investors from fraud and to preserve legitimate capital markets. These objectives are accomplished legislatively by: (1) requiring the registration or the specific exemption from registration of securities prior to their public or private offer of sale; (2) requiring the licensing of dealers, agents, investment advisers and investment adviser representatives and regulating their activities; (3) requiring Reg. D filing notices under the Securities Acts of 1933; (4) requiring the filing of mutual funds and certain other specialized securities offerings through exemption; and, (5) providing civil remedies for violations of the Act and providing administrative, civil and criminal penalties for those who violate the Act.

FUND 376: Industrial Revenue Bond Notification Fund. The Alabama Securities Commission acts as a pre-clearance check on certain industrial revenue bonds as provided for under Section 8-6-110, *et seq.*, Industrial Revenue Bonds Act No. 586. The Commission reviews and analyzes filings made prior to sale of said bonds to investors and issues appropriate No Stop Orders.

ASC FEE SCHEDULE

Notification	Generally available for seasoned issuers and requires limited disclosure.	\$40 filing fee + registration fee of 1/10 of 1% of the aggregate offering price of the securities offered in this state. Registration fee not to exceed \$1000	§ 8-6-8(d) Code of Alabama, 1975
Coordination	Registered statement has been filed in connection with the same offering. State filing in conjunction with SEC filing.	\$40 filing fee + registration fee of 1/10 of 1% of the aggregate offering price of the securities offered in this state. Registration fee not to exceed \$1500 nor be less than \$100	§ 8-6-8(d) Code of Alabama, 1975
Qualification	Any other security.	\$40 filing fee + registration fee of 1/10 of 1% of the aggregate offering price of the securities offered in this state. Registration fee not to exceed \$1500 nor be less than \$100	§ 8-6-8(d) Code of Alabama, 1975
Open End Management Company	Face amount certificate company or Unit Investment Trust registering indefinite amount	\$100 filing fee + \$1,500 registration fee	§8-b-8(d) Code of Alabama, 1975
Exemption	Securities not required to be registered by virtue of exemption under federal, state, or provincial statutes.		
Limited Offerings	(1) Alabama ULOE	\$150	§ 8-6-11(a)(14)(m)(4), Code of Alabama, 1975
	(2) Regulation D filing under Rules 505 and 506	\$300	§ 8-6-11(c), Code of Alabama, 1975 Commission Rule 830-X-6-.11(1)(a)(3)(iv)
	(3) Expansion Order filing to increase the number of purchasers in a limited offering that has already been exempted from registration.	\$300	§ 8-6-11(c), Code of Alabama, 1975
	(4) For sale up to 25 Alabama purchasers in 12 months.	\$300	Commission Rule 830-X-6-.12(1)(d)(iv)
	Extension of the term up to 12 months	\$300	Commission Rule 830-X-6-.12(1)(d)(iv)

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ASC FEE SCHEDULE

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Mutual Fund Exemption	Registration exemptions for Open-End Management Investment Company:		§ 8-6-10(11)(b)(2), Code of Alabama, 1975
	Total assets less than or equal to \$25 million:	\$350	§ 8-6-10(11)(b)(2), Code of Alabama, 1975
	Total assets greater than \$25 million, less than \$100 million:	\$700	
	Total assets greater than \$100 million:	\$1,200	
	Unit Investment Trusts:	\$200	
IDB	Industrial Revenue Bonds are municipal bonds issued for purpose of constructing facilities.	1/20 of 1% of principal amount of described bonds. No less than \$25, but not to exceed \$1,000	§ 8-6-115, Code of Alabama, 1975
Sale of Checks	Sale of any check, draft, money order, or other instrument for transmission or payment of money.		§ 8-7-6, Code of Alabama, 1975
	(1) Investigative fee for initial application	\$250	§ 8-7-9, Code of Alabama, 1975
	(2) Registration fee for principal office	\$250	
	(3) Additional location and agents in the state	\$5 per office not to exceed \$500. (Max registration fee \$750, exclusive of investigative fee)	
Opinions	Interpretations	\$150	§ 8-6-29, Code of Alabama, 1975
Agent	Any individual, other than a dealer, who represents a dealer or issuer in effecting or attempting to effect sales of securities.	\$60	§ 8-6-3(h), Code of Alabama, 1975
Dealer	Any person engaged in the business of effecting transactions in securities for the account of others or for his own account.	\$250	§ 8-6-3(h), Code of Alabama, 1975

ASC FEE SCHEDULE

<p>Investment Adviser</p>	<p>Any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities.</p>	<p>\$250</p>	<p>§ 8-6-3(h), Code of Alabama, 1975</p>
<p>Investment Adviser Representative</p>	<p>Any partner, officer, director of or other individual employed by or associated with an investment adviser, except clerical or ministerial personnel, who (a) makes recommendations or renders advice regarding securities; (b) manages accounts or portfolios of clients; (c) determines which recommendations or advice regarding securities should be given; (d) solicits, offers or negotiates for the sale of or sells investment advisory services; and (e) supervises employees who perform any of the foregoing.</p>	<p>\$60</p>	<p>§ 8-6-3(h), Code of Alabama, 1975</p>
<p>Administrative Assessment</p>	<p>Fee imposed upon any person who violates any provision of the article or rule or order issued under the article.</p>	<p>Not to exceed \$5,000 for each act or omission. Total assessment not to exceed \$50,000</p>	<p>§ 8-6-19(j)(2), Code of Alabama, 1975</p>
<p>Investigative Examinations</p>	<p>Investigative costs for examinations of violations of any provision of the article or violations of any rule.</p>	<p>Actual costs of investigation</p>	<p>§ 8-6-19(k)(1), Code of Alabama, 1975</p>

ASC FEE SCHEDULE

ASC Statistical Summary from FY 2010

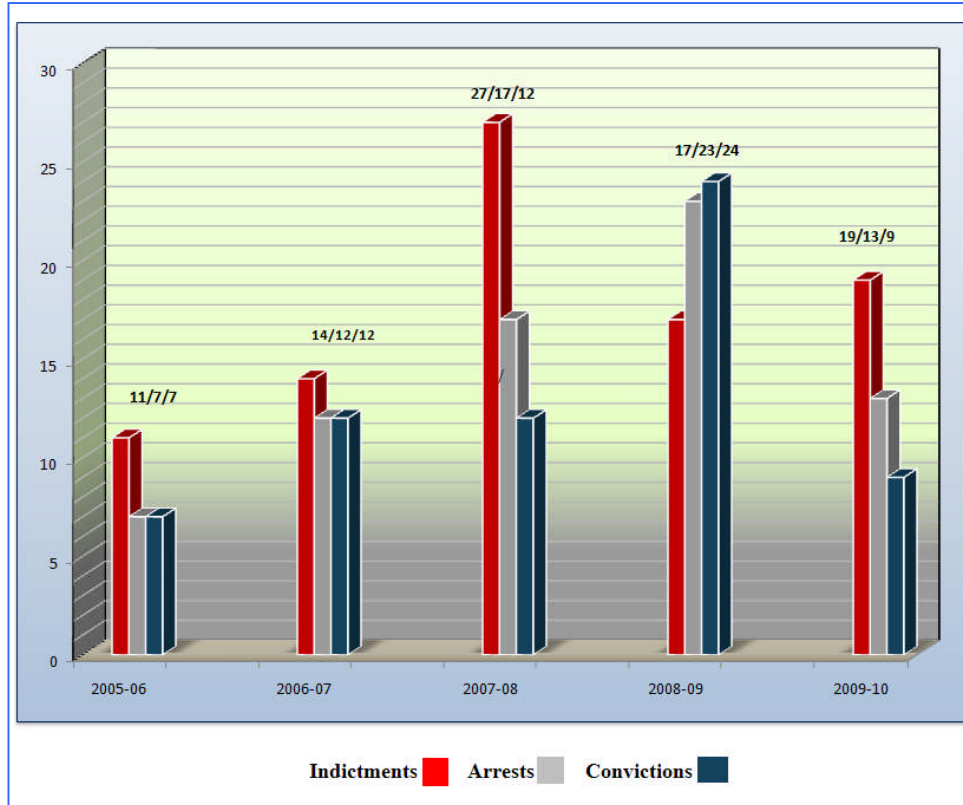
- ▶ ASC total staff – **49** (includes 6 attorneys, 12 special agents, and 11 securities analysts)
- ▶ Registrations and exemptions issued – **130,924**
- ▶ Complaints and corporate inquiries received – **447**
- ▶ Industrial Revenue Bonds reviewed – **\$325,158,479**
- ▶ Administrative Orders issued – **72**
- ▶ Administrative Order respondents – **191**
- ▶ Rescissions ordered – **\$1,223,928**
Not Included: \$ 1.6 billion of Auction Rate Securities bought back by 11 firms as part of a multi-state settlement.
- ▶ Restitution ordered to victims – **\$1,031,995**
- ▶ Public warnings issued – **7**
- ▶ Indictments (19) and arrest warrants (3) obtained – **22**
- ▶ Convictions – **9**
- ▶ Arrests made – **13**
- ▶ Years incarceration ordered – **77.6**
- ▶ Individuals awaiting grand jury action, arrest or trial – **41**
- ▶ Contributed to State General Fund - **\$12,500,304**

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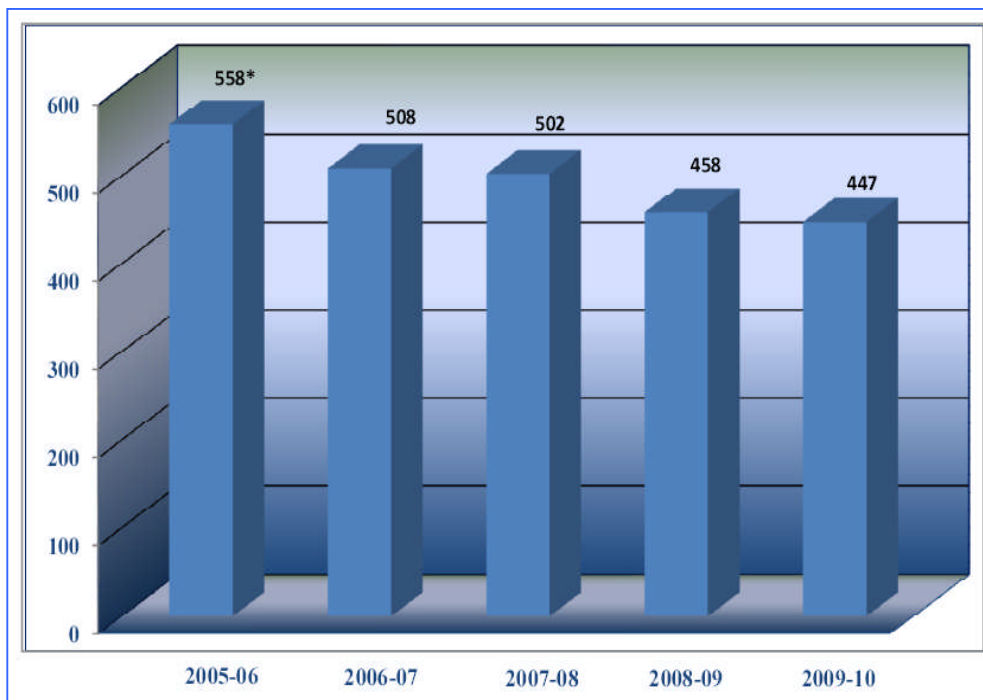
Indictments, Arrests and Convictions

Fiscal Years 2005-06 to 2009-10



Complaints and Corporate Inquiries

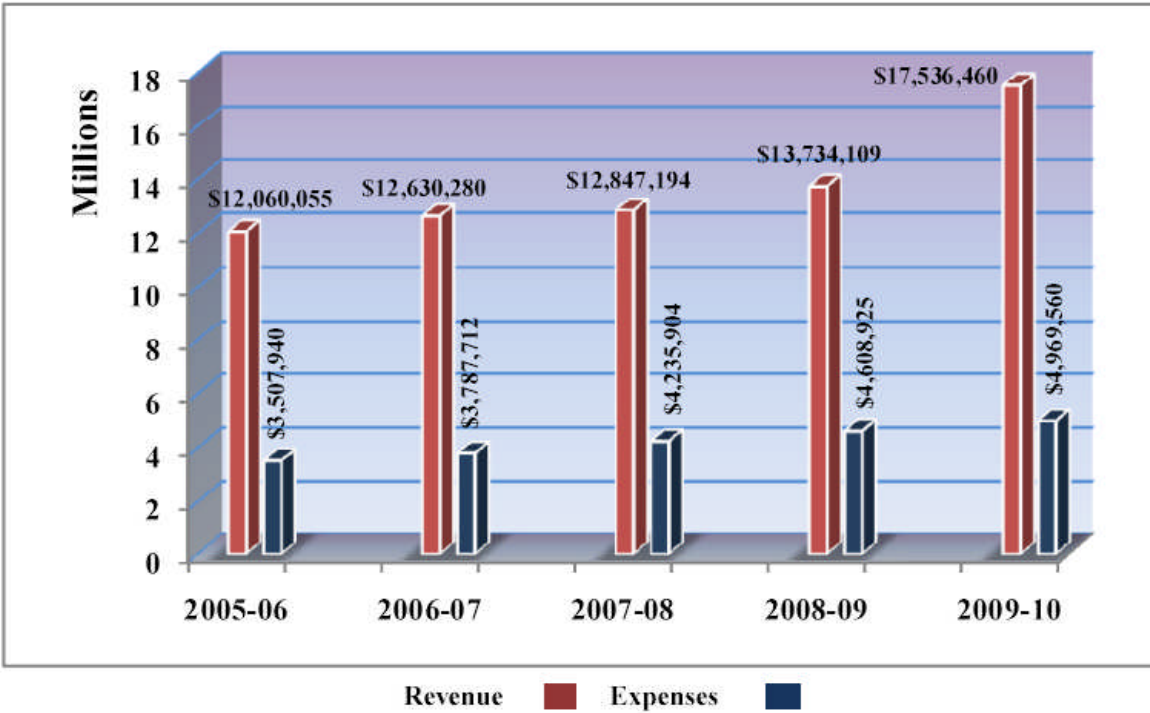
Fiscal Years 2005/06 - 2009/10



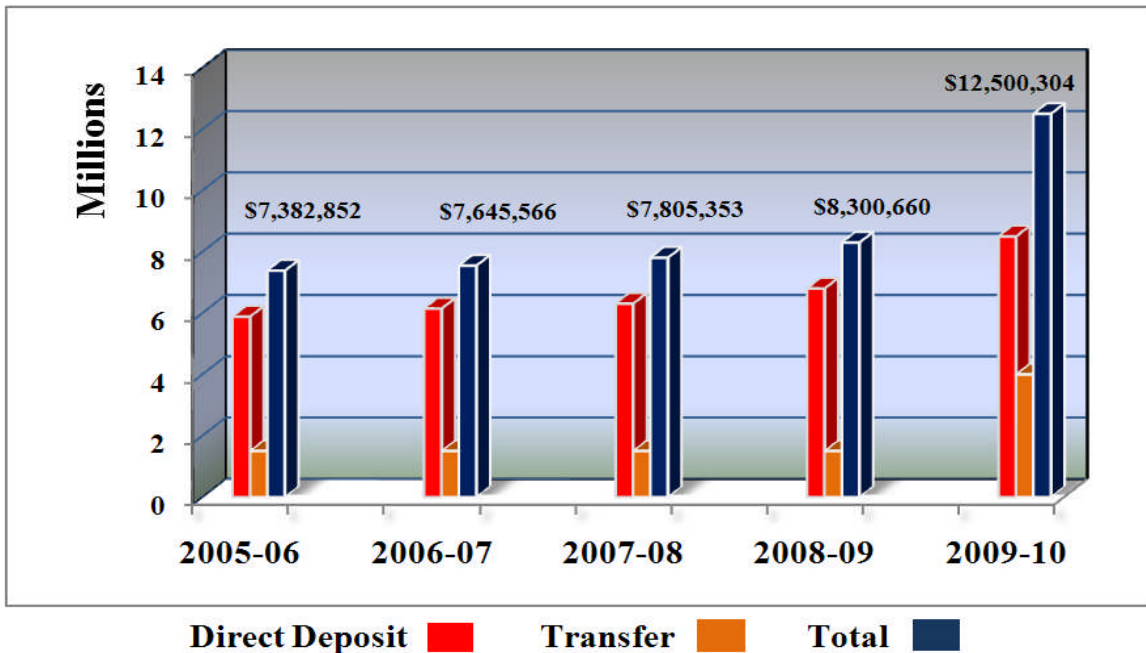
* Increased service on checking newly filed incorporations and verifying new business legal requirements.

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Combined Revenue and Expenses Fiscal Years 2005-06 to 2009-10



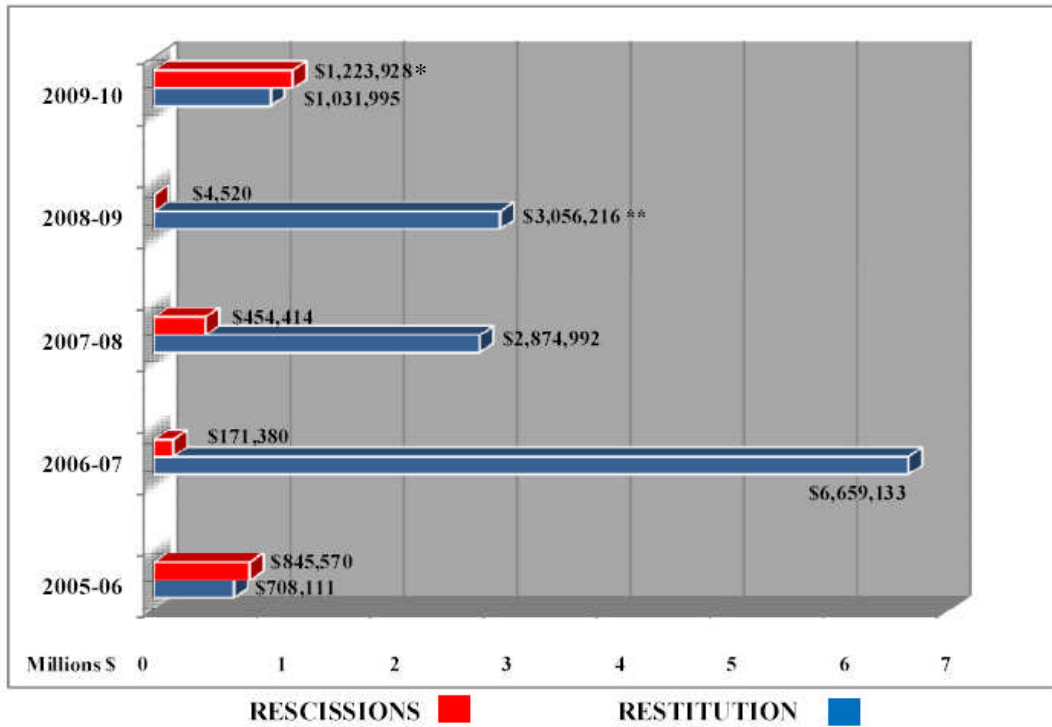
Total Revenue to General Fund Fiscal Years 2005-06 to 2009-10



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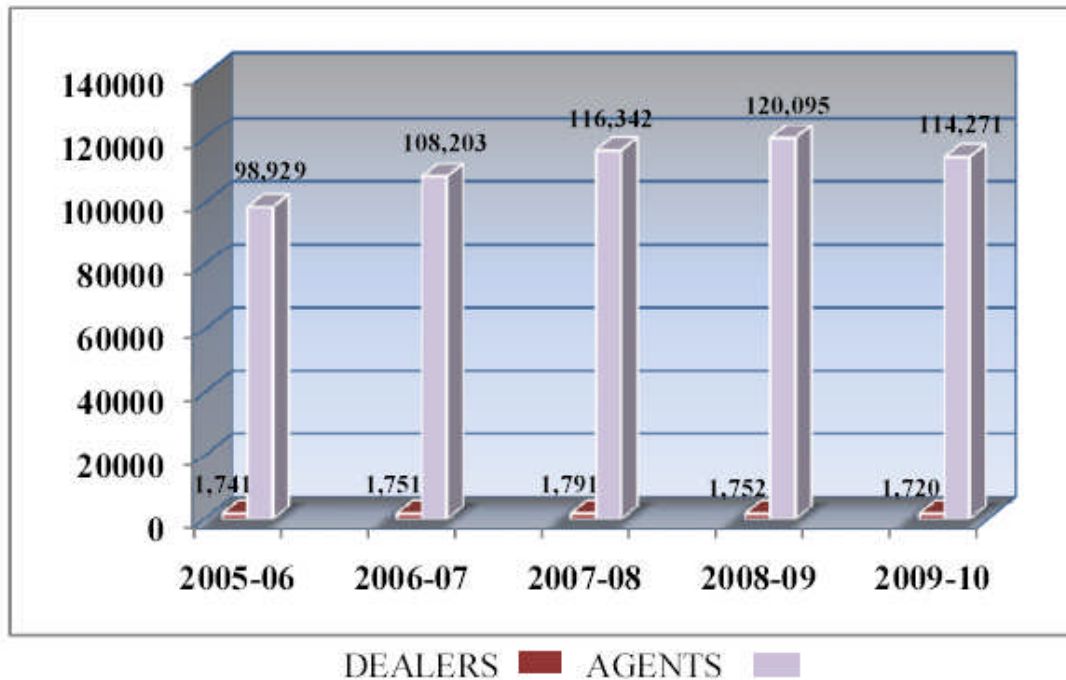
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Rescissions and Restitution Fiscal Years 2005-06 to 2009-10



* Not Included: \$ 1.6 billion of Auction Rate Securities bought back by 11 firms as part of a multi-state settlement.
 ** Not Included: \$ 67.3 million in victim restitution from joint federal and multi-state case.

Broker Dealer Registrations Fiscal Years 2005-06 to 2009-10

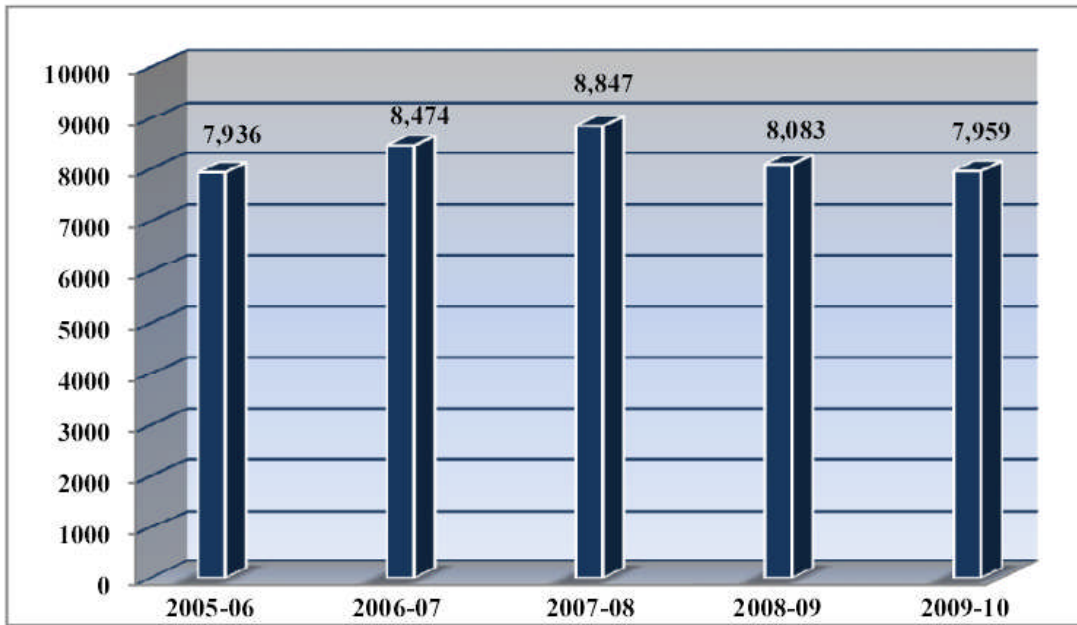


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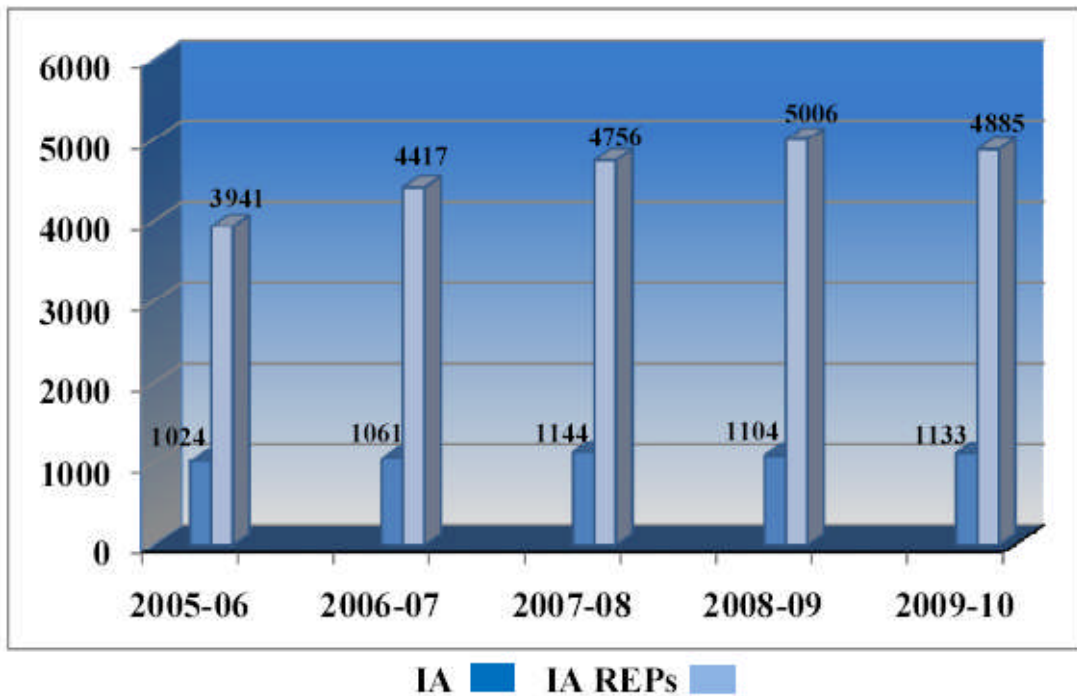
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Mutual Fund Registration and Exemptions Fiscal Years 2005-06 to 2009-10



Investment Adviser Registrations Fiscal Years 2005-06 to 2009-10



FINANCIAL STATEMENT

FISCAL YEAR 2010

Agency Revenues

Authority

§ 8-6-3(h)	Investment Advisers & Representatives	\$ 7,905,070
	Broker-Dealers & Representatives	
§ 8-6-8	Securities Registration.....	56,456
§ 8-6-11	Exemptions.....	176,350
§ 8-6-19	Administrative Assessments/Investigative Executions	2,747,459
§ 8-6-10(11)(b)(2)	Mutual Fund Exemptions.....	6,581,500
§ 8-6-29	Opinions.....	900
§ 8-6-115	Industrial Revenue Bonds.....	12,115
§§ 8-7-6; 8-7-9	Sale of Checks	40,885
	Miscellaneous Revenues	15,725
	TOTAL REVENUES	\$ 17,536,460
	To General Fund	\$ 8,500,304
	To Sale of Checks Fund	40,885
	To Securities Commission Fund	8,983,156
	To Industrial Revenue Fund	12,115
	TOTAL	\$ 17,536,460

Expenditures

Personnel Costs	\$ 2,736,968
Employee Benefits	919,748
Travel (In-State).....	38,409
Travel (Out of State).....	39,555
Repairs & Maintenance.....	13,046
Rentals & Leases	651,406
Utilities & Communications	43,575
Professional Services	140,742
Supplies, Materials & Operating Expenses.....	158,712
Transportation Equipment Operations	54,371
Transportation Equipment Purchases.....	120,729
Other Equipment Purchases	52,299
TOTAL	\$ 4,969,560
Additional Transfer to State General Fund	\$ 4,000,000
TOTAL EXPENDITURES	\$ 8,969,560
TOTAL TO GENERAL FUND FOR FISCAL YEAR 2010	\$12,500,304

Alabama Securities Commission Enforcement Division

Enforcement Activity

Corporate Inquiries Opened	298
Corporate Inquiries Closed	301
Investigations Opened - "I"	77
Investigations Closed - "I"	94
Investigations Opened - "S"	72
Investigations Closed - "S"	74
Administrative Actions	72
Administrative Action Respondents	191
Receiverships Appointed	0
Rescission Offers Obtained	57
Indictments/Warrants Obtained	22
Arrests Made	13
Convictions Obtained	9
Public Warnings Issued	7
Referrals to Other Agencies	41

As of 9/30/10, there were 7 individuals awaiting Grand Jury, 10 individuals pending arrest, and 24 individuals awaiting trial.

Administrative Orders Issued

A comparative summary of the Enforcement Division's
Fiscal Year 2010 activities are shown on the following chart:

TYPE OF ORDER ISSUED	RESPONDENTS	ORDERS
Cease and Desist	117	30
Consent (orders and agreements)	39	25
Show Cause	13	6
Vacate	11	3
Permanent Bar	4	4
Order to Deny	2	1
Order to Suspend	1	1
Revocation	4	2
TOTALS:	191	72

REGISTRATIONS & EXEMPTIONS

Statistical Summary 10/01/2009 - 09/30/2010

	Application Filed	Application Approved	Renewal Processed	Application Withdrawn	Application Terminated
Broker/Dealer	139	139	1581	7	143
Broker/Dealer Agent	n/a	28043	86228	0	23190
Eleemosynary Financing Exemption	18	17	0	4	4
Exempt Consent	1	1	0	0	0
Expansion Order	0	0	0	0	1
Industrial Revenue Bond	14	13	0	1	0
Investment Adviser - Federal	80	86	948	3	64
Investment Adviser - State Registered	17	14	85	6	19
Investment Adviser Representative	n/a	998	3887	0	1030
Limited Offering	572	562	0	3	35
Mutual Fund Exemptions	1832	1827	6132	0	171
Registration by Coordination	56	22	0	40	10
Registration by Qualification	2	0	0	2	1
Registration by Notification	2	1	0	0	0
Restricted Agent	38	64	157	1	87
Sale of Checks Vendor	14	14	105	0	9
NOTE: The total number of registrations and exemptions issued in Fiscal Year 2010 was 130,924.					

INDUSTRIAL REVENUE BONDS FY 2009-2010

LESSEE	FEE CHARGED	DATE ISSUED	AMOUNT OF ISSUE
The Industrial Development Board of the City of Selma, AL (International Paper Co.)	\$1,000.00	05/03/10	\$50,000,000.00
The Medical Clinic Board of the City of Montgomery, AL (Oak Partners Two, LLC)	\$1,000.00	05/21/10	\$3,160,000.00
The Industrial Development Board of the City of Jasper, AL (Industrial Park Project)	\$1,000.00	05/28/10	\$2,800,000.00
The Industrial Development Board of the City of Andalusia, AL (Industrial Development Revenue Bonds, Series 2010A)	\$1,000.00	05/28/10	\$5,505,000.00
The Medical Clinic Board of the City of Dothan, AL (SB&JS General Partnership West Project)	\$1,000.00	07/06/10	\$6,217,027.00
The Industrial Development Board of the Town of Chatom, AL (PowerSouth Energy Cooperative, Series 2010A)	\$1,000.00	09/22/10	\$76,236,143.00
The Industrial Development Board of the City of Courtland, AL (International Paper Company)	\$1,000.00	10/28/10	\$20,000,000.00
The Industrial Development Board of the City of Prattville, AL (International Paper Company)	\$1,000.00	10/28/10	\$20,000,000.00
The Industrial Development Board of the City of Selma, AL (International Paper Company)	\$1,000.00	10/28/10	\$50,000,000.00
The Industrial Development Board of the Town of Chatom, AL (PowerSouth Energy Cooperative)	\$1,000.00	11/04/10	\$34,105,000.00
The Industrial Development Board of the City of Birmingham, AL (Amsted Rail Company, Inc.)	\$1,000.00	12/13/10	\$7,150,000.00
The Industrial Development Board of the City of Huntsville, AL (Dynetics, Inc. Project)	\$1,000.00	12/15/10	\$49,985,309.00
TOTALS:	\$12,000.00		\$325,158,479.00



Director's Corner

The past Fiscal Year could be characterized as one of both economic challenge and of optimism for recovery. To countless senior citizens nationwide and in Alabama, the truest measure of how the economic crisis has challenged their lives is how drastically their retirement assets--their nest eggs--have been diminished or damaged. Many are concerned that their life savings may have lost so much value that they can no longer plan or maintain a comfortable retirement. Seniors facing this circumstance may be more vulnerable to investments that are unsuitable for their long-term financial goals or become victims of investment fraud.

When the subject of our state and nation's aging population arises, conventional wisdom typically focuses on who will tend to the physical needs of millions of previously retired seniors and of the approximately 79 million "baby-boomers" who are approaching retirement. Now, more than ever, increased attention must be focused on seniors' *fiscal health*.

A recent study conducted by the Washington, D.C. based Investor Protection Trust, the North American Securities Administrators Association (NASAA), the Baylor College of Medicine and the National Adult Protective Services Association (NAPSA), found that financial abuse and exploitation targeted at seniors is a serious and growing problem. The study revealed that an estimated 7.3 million seniors--one of every five citizens over the age of 65--have been previously victimized by unreasonably high fees for financial services, an inappropriate investment offer or by outright fraud, costing these individuals and their families more than \$2.6 billion annually. Most notably, many adult children of seniors 65 and older seemed unaware about the effects possible financial abuse may have on their parents. Likewise, many children of older adults do not realize how prevalent the come-ons for their parents' money can be from unlicensed persons soliciting for participation in illicit investment "opportunities." The most sobering fact about senior investment fraud is that for each case reported to authorities, an estimated four or more cases go unreported.

The ASC has witnessed numerous investor traps that snare unsuspecting and uninformed senior investors looking to recoup retirement assets lost to the financial crisis and market volatility. Notable among these traps are oil/gas schemes, green technology schemes, medical technology schemes, gold/precious metal schemes, foreign exchange trading schemes, land development schemes, debt settlement schemes, advance fee loan schemes and investment contract schemes, among many others. The easiest and best defense against fraudulent investment schemes is to call this Commission and check out the company or sales person making the investment offer, as well as the investment product, to ensure they are properly registered. If not properly registered don't invest your hard earned money.

Many main street investors have been tempted to make hasty investment decisions to restore recent losses of their retirement savings due to market volatility and the recent recession. Investors need to be aware of their own long-term financial objectives and it may be wise to seek the advice of a trusted investment adviser or financial planner before making any sudden moves with their money.

Certain provisions of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act, when applied concurrently with state securities law, should help the Alabama Securities Commission and other regulators crack down on any person or company committing securities fraud against main street investors, especially our senior citizens. Many financial scams perpetrated against seniors often arise from unscrupulous and unlicensed individuals promoting personalized investment advice and recommendations about investment products under the guise of being so-called specialists in investments for seniors. The new financial reform law, when coupled forcefully with existing state law, may help curtail promoters holding themselves out to be legitimate financial advisers through the use of misleading designations. We anticipate that the new safeguards may add yet another level of protection for seniors against financial victimization and promote fair opportunities for those who choose to invest their hard-earned dollars in financial markets that drive a robust state and national economy.



Joseph P. Borg, Director

ASC's Office/Division Functions and Accomplishments

THE ENFORCEMENT DIVISION has a staff of 12 veteran investigators (Special Agents) with more than 290 years combined law enforcement and investigative experience. Four Special Agents are graduates of the prestigious Federal Bureau of Investigation (FBI) National Academy. Special Agents conduct complex investigations in response to complaints or evidence of alleged securities fraud. The investigation of financial crime involves intensive efforts to examine and analyze large quantities of information ranging from electronic data to paper records. Special Agents are required to field investor complaints related to suspicious, unsuitable and/or illegal investment offerings and the sale of fraudulent and unregistered investment products. The Enforcement Division coordinates its actions with the ASC office of Legal Counsel and local, state and federal authorities to thoroughly examine complaints, analyze financial transactions and help bring legal action against any person or entity that violates the Alabama Securities Act. During the past five years, Enforcement Division actions have secured, on average, more than 17 criminal indictments per year for securities fraud and due to the division's diligent work on behalf of Alabama's investors, the Courts have ordered more than \$14 million in victim restitution in these cases. During FY 2010, enforcement actions led to 13 arrests, 9 convictions and helped secure 77.6 years of jail time for violators of the Alabama Securities Act.

THE REGISTRATION DIVISION:

The **Licensing and Registration** Department is responsible for the initial and ongoing registration and statutory compliance of broker-dealer firms and their agents, investment adviser firms and their representatives, securities registration or exemption from registration and the licensing of money transmitters. This Department is also responsible for the processing of fees associated with the applications and renewals which allows the agency to remain self-funding. The total number of registrations, licenses and exemptions issued in Fiscal Year 2010 was 130,924.

The **Auditing and Examination** Department conducts a full schedule of onsite routine and for-cause examinations. It examines each of the state regulated investment advisers domiciled in Alabama on a three-year cycle, while continuing to audit broker dealers and their branch offices on a for-cause basis. The audit program identifies serious securities violations as well as potential weaknesses in sales practices in order to help strengthen these entities' compliance programs and to protect Alabama investors. The Department also conducts joint audits, on a limited basis with other states for complex audits and enforcement investigations. In Fiscal Year 2010 the Auditing and Examination Department conducted 46 full audits. Of these, five were for-cause examinations driven by investigations, customer complaints or licensing issues.

THE EDUCATION AND PUBLIC AFFAIRS DIVISION notifies state and national media about the agency's services, enforcement actions, fraud prevention alerts and other activities to combat financial crimes targeting Alabama citizens. The division is very active in educating citizens of all ages and economic backgrounds about the many facets of personal finance, investing and how to protect oneself from financial fraud. The division researches, develops and implements investor education and fraud prevention outreach programs that offer Alabamians, from high school students and working adults to senior investors, ages 50 and older, the most relative and timely information available to help them make informed financial decisions. The information provided to these groups encourages prudent use of monetary resources, avoiding victimization by fraud and achieving the fiscal knowledge required to safeguard personal financial assets in order to help citizens build a comfortable and stable retirement.

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Continued collaboration with the Alabama Department of Education, the Alabama Jump\$Start Coalition, the Investor Protection Trust, the Alabama Department of Senior Services, the Alabama Cooperative Extension System, and the Alabama Council on Economic Education, among others, led to a successful education outreach program providing 73 education and fraud prevention events to over 3,636 Alabama citizens during this fiscal year.

THE INFORMATION TECHNOLOGY (IT) DIVISION is critical to the Commission's ability to efficiently manage a tremendous workload. The IT Division has worked steadily to improve and streamline the way we utilize and store important information. Recently the IT staff upgraded all servers older than five years to efficiently maintain the currency of software and computers for all staff members with a continued equipment update plan. Database upgrades in support of Legal, Enforcement, and the Registration Divisions were purchased and are nearing completion. The IT staff has also worked tirelessly to install new web and video-casting hardware and software to provide enhanced training for all ASC staff members. During this period the IT Division developed a plan to install new state-of-the-art audio-visual technology that will allow us to network with numerous other state and federal regulatory and law enforcement agencies.

THE LEGAL DIVISION investigates and prosecutes fraudulent and illegal actions by individuals or companies associated with the offering and/or sale of securities within, into or from the State of Alabama, or any related actions that violate the Alabama Securities Act. The Legal Division is comprised of six highly competent and skilled attorneys, including the Deputy Director, who are ably assisted by two full-time paralegals. The legal staff possesses almost 100 years' combined legal and prosecutorial experience and oversees the prosecution of administrative, civil and criminal actions brought by the ASC and renders opinions and no-action letters relating to issues of law under the Alabama Securities Act. The division also serves as in-house legal counsel for all legal issues concerning daily operations of the Commission staff, including investigations and personnel issues and acts as liaison with other entities when legal issues of common interest arise. The legal staff is often called upon by District Attorneys across the state for assistance in investigating and aggressively prosecuting white-collar crime and has a stellar prosecution record. ASC attorneys collaborate and consult with other states on legal issues with overlapping jurisdictions and aid federal prosecutors, the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority and others to assure the maximum advocacy and protection possible for Alabama's main street investors.

THE ACCOUNTING AND PERSONNEL DIVISION'S work encompasses a number of diverse and important functions that guarantee the continued smooth operation of the agency. This division provides for the overall fiscal operation of the ASC, including preparing the annual budget and operations plan, supervising the maintenance of accounting records, reviewing to ensure propriety of expenditures and budgetary controls, the maintenance of personnel and payroll records and the accountability of all physical inventory. This division works with the Examiners of Public Accounts to ensure that the agency's fiscal compliance with the Code of Alabama is followed to the letter. Historically, the ASC Accounting and Personnel Division has received a "Perfect Property Inventory" audit and works tirelessly to make certain that the agency's property and monetary resources are used and maintained for the greatest benefit to Alabama taxpayers.

Investor Education and Fraud Prevention Outreach Program



Dan Lord, Manager

Promoting Investor Protection Through Instruction and Preparation

The ASC's **Education and Public Affairs Office** informs, educates and helps 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 investor education information.



Clint Niemeyer, Public
Affairs Specialist

Investor Education and Fraud Prevention for Seniors

The ASC is an advocate for Alabama's "main street" investors and has forged a strong and active Investor Education and Fraud Prevention Outreach program generated through our Office of Education and Public Affairs. The successful and popular program informs and helps protect Alabama citizens, especially those most dependent on their retirement savings, from deceptive and illegal practices by promoting financial literacy and investor education. Investor education is the Commission's first line of defense against financial crimes that can deprive our citizens of the long-term financial security for which they have saved during their lives. The Education and Public Affairs section takes the lead in the development and delivery of expedient, insightful investor protection information to many segments of Alabama's population. The following illustrate the results of the Commission's financial education and outreach efforts for senior Alabamians during the past fiscal year.

ASC's Office of Education and Public Affairs partners with numerous senior advocacy groups to help combat the alarming and disproportionate toll that financial fraud takes on our state's older investors.

- **The Alabama Department of Senior Services (ADSS)** — the ASC collaborated with ADSS network of Area Agencies on Aging across Alabama to reach seniors and provide materials and education to help them sustain long-term financial health.
- **Caregiver and Elder Abuse Symposiums** – ASC personnel partnered with eldercare specialists from South Central Alabama Development Commission's Area Agency on Aging to train nursing, home health, social services, legal and other senior care providers about identifying financial stressors and protecting their vulnerable clients from financial fraud and exploitation.
- **Senior Medicare Patrol (SMP) Fraud Summit** – Partnering with local Area Agencies on Aging, Better Business Bureaus, Social Security Administration, U.S. Postal Service and local law enforcement, ASC once again reached out to senior Alabamians, their families and caregivers to present "What Seniors Should Know in Order to Make Informed Investment Decisions," and to provide free informative materials.
- **Jackson County Senior Expo** – For the third consecutive year, ASC participated in the Jackson County Senior Expo in Scottsboro. This very popular free event hosted more than 700 seniors from the Jackson, Madison, Marshall and DeKalb counties in north Alabama and was structured to provide important, timely information to area seniors about the numerous resources available to them to help them safeguard their health, safety and financial independence. *(Continued on next page)*

Investor Education and Fraud Prevention Outreach Program

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- **2010 Senior Expo** – For the sixth consecutive year, ASC participated in the 2010 Senior Expo at the Von Braun Civic Center in Huntsville. This highly-anticipated annual event hosts several thousand senior citizens from across northern Alabama to see and inquire into the numerous products, services and information resources available to them from dozens of professional service providers. ASC personnel were present to answer individuals' questions and concerns and to distribute important personal finance, investor education and fraud prevention materials to hundreds of senior Alabamians throughout the day-long event.



ASC staff answer numerous questions from senior investors from across north Alabama during the 2010 Senior Expo held at Huntsville's Von Braun Civic Center.

- **“Let’s Talk Turkey About Medicare” Tour** – ASC joined with ADSS to offer seniors in Lee, Tallapoosa, Chilton and Elmore counties critical information concerning Medicare coverage and how to protect themselves from financial fraud often masquerading as “can’t miss” healthcare “alternatives” being urged upon seniors.
- **World Elder Abuse Awareness Symposium** – ASC joined ADSS and the Alabama Civil Justice Foundation for the 2nd Annual World Elder Abuse Awareness Symposium at Embassy Suites in Montgomery to call attention to the critical needs of Alabama’s senior population. Topics addressed in the symposium were seniors’ special legal, financial, social, health and medical needs. ASC staff members were present to distribute financial education and fraud prevention information to senior attendees and to answer questions about safeguarding their personal financial assets.
- **ACES Estate Planning Seminars** – ASC teamed with the Alabama Cooperative Extension System (ACES) to continue bringing Estate Planning Seminars to Alabama citizens who are nearing or are already in retirement. ASC assisted ACES to apply for and receive a grant from the Investor Protection Trust (IPT) in Washington, D.C., to present investor education/fraud prevention topics to senior Alabama investors and retirees throughout the state. Seminar attendees also learned about unsuitable investment “opportunities,” and the danger signals of investment fraud.
- **Alabama Retired State Employees Association** – ASC staff attended and spoke to several chapter meetings of the Alabama Retired State Employees Association (ARSEA) during the past fiscal year. With a membership of more than 25,000 retired former state government employees, ARSEA members typically have significant savings, pensions and other investments, but can face major unexpected financial decisions that could compromise their continued financial independence, making them vulnerable to purchasing misunderstood or unsuitable investment products and to outright financial fraud. Members learn the steps to take to protect themselves and their families from financial fraud; basic investment principles such as diversification and dollar-cost averaging; how to research investment options and various investment instruments; and, actions to take to make informed investment decisions.

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- **Elder Investment Fraud and Financial Exploitation Campaign** – ASC, through its affiliation with the North American Securities Administrators Association (NASAA), joined forces with the Investor Protection Trust (IPT), the National Adult Protective Services Association, the American Academy of Family Physicians and other senior health advocacy organizations to promote this crucial campaign. Launched to coincide with the observance of the annual World Elder Abuse Awareness Day, the campaign focuses on teaching medical professionals and adult protective service workers to identify the signs that indicate their senior patients/clients may be a victim of financial exploitation and abuse, especially those who exhibit signs of mild cognitive impairment. The campaign’s goal is to improve communication between senior Americans, adult children, medical professionals and state securities regulators in order to recognize and defeat financial fraud before damage is done.

ASC Joins Forces with FINRA, AARP and SEC to Combat Financial Fraud

By Clint Niemeyer

The current precarious economic climate has been difficult for Alabama’s investors, those 50 years old and older, who are retired or are approaching retirement. In fact, senior investors with “nest egg” savings or pensions are more vulnerable to being targeted and victimized by financial con artists during tough economic times than any other demographic.

To help combat financial fraud, a pervasive menace to the long-term financial well-being of our state’s senior investors, the Alabama Securities Commission (ASC) has joined forces with the Financial Industry Regulatory Authority (FINRA), AARP Alabama and the U.S. Securities and Exchange Commission (SEC) to help our seniors recognize the characteristics of investment fraud and make informed and safe investment decisions that can safeguard their personal financial assets.

As a state government agency, the ASC is obligated to combine resources, whenever possible, to save money and efficiently provide educational services to Alabama citizens. Historically, ASC has partnered and combined its resources with many service and support organizations to more effectively communicate the message to our citizens that we stand ready, willing and able to help educate and defend them against unsuitable, dishonest and illegal investment practices that could rob them of their financial futures.

ASC has partnered with AARP and its excellent state staff for many years to reach senior citizens throughout Alabama. ASC has worked cooperatively with AARP to provide educational materials and information that can help protect Alabamians from financial fraud and abuse. Through AARP’s extensive network of statewide members, ASC has been able to provide educational seminars throughout Alabama. Combining ASC’s educational expertise with AARP’s successful track record of helpful outreach using various newsletters and information distribution capabilities, our successful partnership has capably reached thousands of Alabama seniors with timely, pertinent information concerning emerging financial scams or changes in legislation that may affect the financial market and the investing actions of our state’s citizens.

FINRA, headquartered in Washington, D.C., has stepped-up their collaboration with ASC. Their
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Investor Education and Fraud Prevention Outreach Program

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Investor Education Foundation spearheads a national fraud prevention education initiative, *SaveAndInvest.org*, to recruit and train fraud fighters nationwide to carry the investment fraud prevention message into their respective communities and to warn others about the many pitfalls of investment fraud. The program offers free, unbiased information and educational tools to help investors ask the right questions and to thoroughly check out investments – before they invest their hard-earned money. FINRA has produced an “Outsmarting Investment Fraud” tool kit, an innovative method for training individual fraud fighters to recognize and understand the risk factors, persuasion tactics and prevention strategies associated with financial fraud.

FINRA has reached out to partners like ASC and AARP to help distribute their training materials and services to the grass roots level in the United States and selected Alabama as a pilot program to train AARP volunteers to train others in their communities. Additionally, FINRA has launched an impressive advertising campaign using television, radio and other media throughout Alabama to highlight its efforts with each of its active partners and has sent members of its professional staff to assist ASC and AARP to host training events in Montgomery, Mobile and Birmingham.

The U.S. Securities and Exchange Commission (SEC) is the federal counterpart to the Alabama Securities Commission and, through its Office of Investor Education and Advocacy, has joined the ASC, FINRA and AARP as a valuable partner in educating senior Americans about investment fraud. The SEC offers investors several educational publications and online materials and is in the process of developing and implementing additional investor education and fraud prevention programs that will augment and strengthen the grass roots efforts of its partners.

The Alabama Securities Commission has enjoyed a successful collaboration with FINRA, AARP, the SEC and numerous other state and local organizations to share resources, help develop and implement progressive investor education and fraud prevention programs. Our objective for the future is to continue to encourage investor protection at its highest level and help cultivate an economic environment that offers citizens of Alabama the information to make more informed investment decisions and to protect themselves from financial fraud.

ASC Military Outreach Program with Special Website Area

“Protect Alabama Troops” (PATs) was launched June 16, 2009 and is an information-based resource, accessible on ASC’s web page, 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.

Director Borg said, “We believe in our military and have supported past 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 is 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.”

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Investor Education and Fraud Prevention Outreach Program

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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.

High School Youth, Student and Teacher Programs

The ASC's Education Office is an active member of the Alabama Jump\$tart Coalition and works with other business, government and nonprofit agencies to promote financial literacy programs geared toward public and private middle and high school students. 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. School teachers may call 1-800-222-1253 and ask for the Education and Public Affairs Office to schedule a tailor-made field trip.

Providing Teachers the Resources to Teach Personal Finance



“Alabama Economics Extravaganza 2010: September 2010”

At the Educator Training Facility, U.S. Space & Rocket Center, Huntsville, AL, the ASC partnered with the Alabama Council on Economic Education and other agencies to provide personal finance, investor and economic education to over 80 high school teachers from Madison and other surrounding counties. State Senator, District 7, Paul Sanford (on stage) provided opening remarks at this event. Teachers received training and free materials that would help them in the classroom to teach their students. Additionally, teachers received training from ASC, for themselves, concerning how to protect themselves from financial fraud and make informed investing decisions.

Investor Education and Fraud Prevention Outreach Program

ALABAMA SECURITIES COMMISSION, THE OFFICE OF EDUCATION AND PUBLIC AFFAIRS (ED & PA)
 (Manager: Dan Lord; Public Affairs Specialist: Clint Niemeyer)
Investor Education Presentations/Events/Meetings (Fiscal Year Beginning October 1, 2009)

<u>Date</u>	<u>Place</u>	<u>Number</u>	<u>Audience Type</u>
9/24/2010	Montgomery, AL at the AUM campus	120	AL Society of CPA's Conference
9/23/2010	Birmingham, AL at the BJCC convention center	110	AARP-FINRA partnered investor university
9/22/2010	Birmingham, AL at the BJCC convention center	18	FINRA-AARP partnered train senior trainers
9/13/2010	Huntsville, AL at the U.S. Space & Rocket Center	90	Provide Training to K-12 Teachers
9/9/2010	Prattville, AL at the Holiday Inn	20	NAPFA Financial Planners Meeting
9/9/2010	Dadeville, AL at the County Extension auditorium	7	Seniors from the local area
9/8/2010	Montgomery, AL at the Embassy Suites	80	ARSEA retired state employees conference
8/19/2010	Montgomery, AL at Frazer United Methodist Church	15	Seniors from the local area
7/29/2010	Birmingham, AL at Samford University	16	Fraud Examiners class graduate students
7/27/2010	Montgomery, AL at the Securities Commission	4	Dignitaries from the Korean community
7/24/2010	Mobile, AL at the Public Library	21	High school youth and parent event
7/20/2010	Maxwell AFB, AL at Family Support Center	20	Spouses of deployed military
7/13/2010	Troy, AL with Central AL Area Agency on Aging	20	Seniors from the local area
7/13/2010	Albuquerque, NM at the LULAC Conference	100	Develop Outreach to Hispanic Communities
6/28/2010	Hoover, AL at the Homewood Senior Center	30	Alabama Real Estate Investor Association
6/25/2010	Tuskegee, AL with Central AL Area Agency on Aging	25	Seniors from the local area
6/18/2010	Montevallo, AL at the State College with ACES	40	Financial training program for high school youth
6/17/2010	Birmingham, AL at the BJCC convention center	35	High school teachers annual conference
6/16/2010	Birmingham, AL at the Federal Reserve	30	High school teachers
6/16/2010	Mobile, AL at the AEA conference with Jump\$tart	40	All types of public school teachers
6/15/2010	Mobile, AL at the AEA conference with Jump\$tart	20	All types of public school teachers
6/14/2010	Montgomery, AL at the Embassy Suites with ADSS	150	Seniors from the local area
6/8/2010	Athens, AL at Athens State College	40	Seniors from the local area
6/7/2010	Montgomery, AL at Trenholm State Tech College	20	High school students in summer program
6/4/2010	Opelika, AL at the Cambridge Place	20	Seniors in senior care facility
6/2/2010	Birmingham, AL at the Federal Reserve - Atlanta Branch	20	Academy of Finance high school teachers
5/27/2010	Snead, AL at Senior Center with Attorney General Office	40	Seniors from the local area
5/26/2010	Auburn, AL Chamber of Comm. with Council on Aging	50	Seniors from the local area
5/20/2010	Opelika, AL at Sport Plex - partner with AARP	85	Seniors from the local area
5/20/2010	Birmingham, AL at Vestavia Country Club	65	Financial Planning Association club
5/11/2010	Robertsdale, AL at the Senior Center	65	Retired state employee chapters - ARSEA
5/7/2010	Maxwell AFB, AL at Family Support Center	60	Military spouse and civilian personnel event
5/3/2010	Montgomery, AL at the Department of Education	11	Train staff in Career Tech Education
5/3/2010	Huntsville, AL at the Von Braun Center Senior Expo	85	Seniors from the local area
5/1/2010	Alabaster, AL at the Westwood Baptist Church	15	Local community with ACES & United Way
4/30/2010	Huntsville, AL at the Department of Rehabilitation	45	Retired state employee chapters - ARSEA
4/20/2010	Prattville, AL at the FINRA and AARP movie event	45	Seniors from the local area

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Investor Education and Fraud Prevention Outreach Program

(Continued)

<u>Date</u>	<u>Place</u>	<u>Number</u>	<u>Audience Type</u>
4/16/2010	Birmingham, AL at the BJCC Convention Center	45	High school students at FBLA conference
4/15/2010	Newbern, AL at Newbern High School with ACES	104	High school Economics teachers
4/12/2010	Tuscaloosa, AL at the Belks Meeting Center	65	Retired state employee chapters - ARSEA
4/9/2010	Birmingham, AL at the Federal Reserve - Atlanta Branch	20	High school Economics teachers
4/6/2010	Montgomery, AL at the Securities Commission	4	FINRA & ASC staff - develop education programs
4/6/2010	Montgomery, AL at the Securities Commission	41	Shades Valley Financial Academy students
4/5/2010	Anniston, AL - City Meeting Center	40	Retired state employee chapters - ARSEA
3/30/2010	Auburn, AL at Auburn University School of Business	80	Student Financial Management Association
3/23/2010	Montgomery, AL at the Securities Commission	41	High school students from Childersburg, AL
3/12/2010	Montgomery, AL - Vaughn Park Church of Christ	30	Happy Hearts Senior's club
3/10/2010	Hoover, AL at the Public Library	100	NAPFA U.S. Bus Tour - Kick Off
3/9/2010	Montgomery, AL at the AUM campus	20	College student economics club
3/5/2010	Scottsboro, AL at Jackson Cty Park Senior Center	98	Seniors from the local area
3/4/2010	Montgomery, AL at the Downtown restaurant	40	River Region Young Professionals club
2/25/2010	Maxwell AFB, AL at the Officer's Club	91	Military and spouses, civilian employees
2/23/2010	Maxwell AFB, AL at the Youth Center	18	Military dependent teenagers
2/16/2010	Montgomery, AL on the Capitol steps for America Saves	50	Citizens and partners
2/11/2010	Athens, AL at the Estate Planning Event with ACES	30	Seniors from the local area
2/6/2010	Birmingham, AL at 87th Army National Guard unit	98	Soldiers on monthly duty
2/4/2010	Opelika, AL at the Saugahatchee Country Club	60	Kiwanis Club members
1/25/2010	Jackson, MS at Secretary of State, Securities Division	15	Training and joint education initiatives
1/21/2010	Scottsboro, AL at the community center - Senior Expo	100	Seniors from the local area
12/29/2009	Montgomery, AL at the Securities Commission	1	Social Security representative
12/15/2009	Montgomery, AL at the Securities Commission	3	Maxwell AFB Family Support staff
11/18/2009	Montgomery County Cooperative Extension office	15	Seniors from the local area
11/13/2009	Birmingham, AL at the Hilton Perimeter Hotel	40	Alabama Bankers Association members
11/13/2009	Montgomery, AL at the University Church of Christ	80	Key note speaker at Senior Service dinner
11/12/2009	Montgomery, AL at the Cornerstone restaurant	25	Kiwanis club members
11/12/2009	Montgomery, AL at the Whitley Hotel	30	Dixie Lion's Club members
11/5/2009	Smiths, AL at the Philadelphia Baptist Church	25	Lee & Russell County senior citizens
11/3/2009	Tallassee, AL at the Community Hospital	30	Elmore & Tallapoosa County senior citizens
11/2/2009	Clanton, AL at the Ala. Power Co. conference facility	150	Chilton County senior citizens
10/26/2009	Montgomery, AL at the Gordon Persons Building	200	Alabama Examiners of Public Accounts
10/7/2009	Montgomery, AL at the Gordon Persons building	25	Working state government employees - ASEA
10/6/2009	Tuscaloosa, AL at the Indian Hills Country Club	110	Business Rotarians from local community
10/1/2009	Tallassee, AL at the Rotary Club meeting	35	Business Rotarians from local community

EVENTS TO DATE: 73

CITIZENS RECEIVING TRAINING: 3636

North American Securities Administrators Association

The Commission continues its membership with the North American Securities Administrators Association (NASAA). NASAA is the oldest international organization devoted to investor protection. NASAA is a voluntary association whose membership consists of 67 state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico.

As a NASAA member, the Commission joins other securities administrators in the promotion of programs focusing on investor education, information sharing, and cooperative enforcement efforts; and, in promoting uniformity of state securities requirements and other actions necessary for effective state and federal securities regulation.

ASC's director is twice past president of NASAA (2001-2002 and 2006-2007) and during 2009-2010 served on its Board of Directors, as Ombudsman and as Chair of the International Committee. ASC, through NASAA, has had an influential role in promoting legislation to increase the severity of punishment for white-collar crime, especially financially-related crimes that victimize everyday investors. During 2009-2010, ASC has been a staunch advocate for the protection of senior citizens, working with NASAA and other state and federal regulatory agencies to promote stronger regulation of investment offerings that could pose unsuitable risks to our state and nation's "main street" investors.

A number of ASC staff members have participated in committees and project groups consisting of regulatory counterparts from other states and countries to develop policy guidelines and consider issues of financial education, registration, licensing, litigation and enforcement.

NASAA programs are carried out through its various committees. During FY 2010, ASC staff served on, or participated with, the following NASAA committees: Special Projects Development and Coordination, Affinity and Military Outreach, Investment Adviser Zones, Litigation Forum and Oil and Gas Investigations Project Group.

The Commission intends to continue active participation on various NASAA committees, which, in coordination with the SEC, FINRA, NASDAQ and NYSE, industry representatives, the accounting and legal professions, and other related groups have promulgated national uniform standards and guidelines. The adoption of these uniform policies alleviate burdens on those sectors of the securities industry by eliminating duplicative examination and registration requirements, thus reducing the amount of time, money, effort, and paperwork required, and achieving less costly and more effective regulation of the industry. Such guidelines apply to the following types of securities activities and filings: licensing, registration, audits, oil and gas, real estate, real estate investment trusts, commodity pools, equipment leasing, health care facilities programs, offerings on the Internet, and others.





ALABAMA

Securities Commission

Joseph P. Borg, Director

ENFORCEMENT HEADLINE SUMMARIES FROM FISCAL YEAR 2010 (Alphabetical by County)

To read complete articles and more go to: www.asc.alabama.gov

Autauga County

Attorney General, Securities Commission, Obtain Order for Permanent Shutdown of One of the Largest Debt Settlement Schemes in the Nation *Approximately \$12 million in assets seized*

(Feb. 24, 2010) The Attorney General's Office and the Alabama Securities Commission announced the permanent shutdown of one of the largest debt settlement schemes in the nation, which had been operated in Prattville by a local attorney. Autauga County Circuit Judge Ben Fuller granted the agencies' request for a permanent injunction to stop deceptive and illegal activities by Keith Anderson Nelms and his companies, Allegro Law LLC and Allegro Financial Services LLC. The Court's summary judgment ruling establishes a permanent receiver and makes provisions for the receiver to protect and recover remaining resources for the benefit of the companies' clients. Attorney General Troy King and Securities Commission Director Joe Borg filed a lawsuit seven months ago which halted operations and froze the defendants' assets while the Court reviewed allegations regarding Allegro's unlicensed business, its ineffectiveness in reducing the debts of its clients, and its false representation of the services provided. The Court's ruling now permanently prohibits Allegro and Nelms from engaging in any further deceptive trade practices and from operating a debt settlement or debt management business in Alabama. Nelms and Allegro violated the Deceptive Trade Practices Act and the Sale of Checks Act. Approximately \$12 million in assets will be held for approximately 15,000 Allegro customers nationwide, of which about 175 are Alabama residents.

Former Autauga County Resident, Indicted, Arrested for Alabama Securities Act Violations

(Nov. 15, 2010) Jack Deck Weight, III, 26, of Cecil County, Maryland and former Prattville, Alabama resident, was indicted and arrested for alleged violations of the Alabama Securities Act. Weight was arrested by Autauga County Sheriff's personnel and bond was set at \$120,000. Weight, under a plea agreement, pled guilty Oct. 29, 2010 to a single count of Securities Fraud with the Court accepting the state recommendation of a 10-year suspended sentence, five years' probation and payment of full restitution to his victims. As part of the plea agreement, Weight will plead guilty to similar charges in Pike County, Alabama at a later date. An ASC investigation led to a six-count indictment by the Aug., 2010 session of the Autauga County Grand Jury alleging that between March and November, 2009, Weight, doing business as Eagle Eye Enterprises, A Delaware corporation, solicited more than \$9,000 from several Alabama investors, to purchase investment contracts for gold and/or mutual funds, with a guarantee to triple the investors' money in less than a week or the investments would be refunded. There was no evidence to support that investor funds were used as represented and that Eagle Eye Enterprises existed as a fictitious investment company created by Weight through which he solicited money from investors for personal benefit. Weight admitted to the ASC findings and to his guilt in open court.

Baldwin County

Alabama Securities Commission Issues Order Against Company for Alleged Unregistered Stock Sales in Wake of Gulf Oil Spill

(July 9, 2010) A Cease and Desist Order was issued to InfrAegis, Inc., a Delaware corporation, and three of the company's officers, related to alleged violations of InfrAegis' offer and sale of company stock shares to several Alabama investors. The Order demands that the company and its representatives immediately cease

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ENFORCEMENT HEADLINE SUMMARIES *(Continued)*

and desist from further offers or sales of any security into, within or from the State of Alabama. Gregory E. Webb, president and CEO of the company, was in Orange Beach, Alabama in June to promote a product offered by InfrAegis that, when applied in large amounts, purportedly would help alleviate environmental damages caused by the Gulf oil spill. Webb, together with C. Robert Abbott, InfrAegis Chief Product Officer; and, James R. Zilka, InfrAegis' Chief Financial Officer, were named in the Order as not being registered with the ASC to conduct securities business in Alabama and that the company's stock shares are not registered or determined to be exempt from registration with the ASC as required by law. Further ASC investigation revealed that the State of Illinois had previously issued an administrative order against InfrAegis, Inc., alleging similar securities law violations in that state.

Baldwin County Man Arrested for Multiple Violations of Alabama Securities Act

(July 19, 2010) Robert James Tucker, of Baldwin County, was arrested by Baldwin County Sheriff's Department deputies and ASC Enforcement Division agents July 8, 2010 and charged with violations of the Alabama Securities Act. Charges stem from Tucker's alleged activities in association with Synergy Finance Group, LLC, headquartered in Robertsdale, Alabama. An ASC investigation, in cooperation with the Baldwin County District Attorney's Office, revealed that Tucker was allegedly operating an advance-fee loan business, self-described as a "multi-billion dollar loan brokerage," and solicited money from U.S. and foreign investors seeking large, non-collateralized loans which involved unlawful securities transactions. Records indicate that neither Tucker nor his company was registered with the ASC to conduct securities business in Alabama or to offer and/or sell securities outside of Alabama.

Blount County

Former Blount County Man Arrested for Violations of Alabama Securities Act

(May 11, 2010) David Ray Pinyan, formerly of Blount County, Alabama, was arrested on May 4, 2010 by Sevierville and Pigeon Forge, Tennessee law enforcement officials and placed in a local detention facility there. Alabama officials will seek extradition of Pinyan to Blount County to face charges that he violated provisions of the Alabama Securities Act. Pinyan's arrest stems from a 12-count indictment returned by an April 2010 session of the Blount County Grand Jury. According to an ASC investigation, beginning in May 2006 and continuing through August 2007, Pinyan allegedly used schemes centered on various land development opportunities and transactions involving the buying and selling of automobiles. Pinyan allegedly used these schemes to defraud several Alabama investors of several thousands of dollars after allegedly promising the investors "profit" on their investment principal. The indictment also alleges that Pinyan made untrue statements of material fact during the offer and sale of the investment "deals."

Houston County

Houston County Man Pleads Guilty, is Sentenced for Securities Act Violations

(October 12, 2010) Robert Edmondson, a Dothan resident, pled guilty in Houston County Circuit Court to one count of securities fraud, described as Making Untrue Statements of Material Fact in Connection with the Offer/Sale of a Security. The plea agreement transpired during testimony in the state's case-in-chief. The Court imposed a 10-year sentence on Edmondson, split to serve 12 months in state prison, with nine years suspended and five years supervised probation once he is released from incarceration. Edmondson was also ordered by the Court to pay \$250,000 restitution to his victims and was released until January 14, 2011, with the stipulation that he returns to Court and show evidence that he has made substantial progress in making restitution payments. Edmondson will then surrender to the Alabama Department of Corrections to begin serving his sentence. According to testimony, Edmondson misled investors by saying his company was solvent and that the investor money would be solely used to develop a power saving device. Evidence revealed that Edmondson used investors' funds to operate his company and for his own personal benefit.

(Continued on next page)

ENFORCEMENT HEADLINE SUMMARIES (*Continued*)

Jefferson County

Jefferson County Investment Adviser Pleads Guilty to Violation of Alabama Securities Act

(May 17, 2010) Andrew D. Petrofsky, a Birmingham resident, pled guilty on May 12, 2010 in Jefferson County Circuit Court to a single count of Securities Fraud. Petrofsky waived his right to indictment by a Grand Jury and entered his guilty plea based on information filed by the Jefferson County District Attorney. Petrofsky was sentenced in Circuit Court to one year and a day, to be served concurrently with a 44-month federal prison sentence he received in April 2010, after admitting to illegally diverting investors' funds under his management for his personal use. An ASC investigation in cooperation with the U.S. Securities and Exchange Commission (Atlanta Regional Office) and the U.S. Secret Service revealed that between January 2005 and May 2008 Petrofsky diverted in excess of \$870,000 from six investor accounts belonging to two Alabama investors and one investor from New York. During the time of the illegal activities, Petrofsky was employed as a registered Investment Adviser Representative with Professional Asset Strategies, a Birmingham, Alabama-based firm and diverted investor funds without the investors' or the company's knowledge or consent. Professional Asset Strategies reported the activities to ASC *and assisted the regulators in the investigation of Petrofsky's activities-- the company credited all victims' accounts*. Petrofsky has also been ordered to pay \$871,436 in victim restitution.

Lee County

Lee County Man Convicted of Securities Violations Has Probation Revoked

(October 6, 2009) A probation revocation hearing was held in Lee County Circuit Court, September 29, 2009 to hear evidence that Michael James Dixon of Opelika, Alabama engaged in activities that violated the terms and conditions of his probation. Dixon pled guilty earlier this year to violations of the Alabama Securities Act. A recommendation by the Lee County Probation Office, supported by the ASC, to have Dixon's probation revoked was accepted by the Court and an order was issued for his arrest in August 2009. Dixon was remanded into custody in the Lee County Detention Facility to begin serving the remainder of his ten year sentence. Dixon was initially arrested by Lee County Sheriff's deputies on July 10, 2008 based on evidence obtained by ASC Enforcement Staff that he offered and sold an investment opportunity to a Florida resident through his Alabama-based company, HBM, L.L.C., and used the money received from the investor for personal use. At the time of his arrest, neither Dixon nor his company were registered with the ASC to offer or sell securities within, into or from Alabama, nor was the investment product he offered and sold licensed with the ASC.

Virginia Man Pleads Guilty to Violations of Alabama Securities Act

(January 28, 2010) Rudolph A. Polson, of Fairfax County, Virginia, pled guilty on January 25, 2010 in Lee County Circuit Court to a single count of Theft of Property by Deception, 1st Degree and was sentenced to 24 months in prison. Polson, representing Petrologistiks, LLC, a Delaware-based limited liability corporation, offered an unregistered security, in the form of an investment contract, to a Lee County, Alabama resident. Polson solicited \$20,000 from the victim purportedly to assist in financing the transport and sale of crude oil from Nigeria to a buyer in Switzerland and was promised a substantial profit for their investment in the venture. A Lee County Grand Jury returned a six-count indictment against Polson on May 13, 2008, alleging multiple violations of the Alabama Securities Act. Records indicate that neither Polson nor his company were registered to offer or sell securities in Alabama, nor was the security offered and sold to the investor registered with the ASC as required. Polson was arrested by Fairfax County, Virginia authorities on May 29, 2008, released on \$5,000 bond and ordered to surrender to Lee County, Alabama authorities within 30 days. On June 26, 2008, Polson turned himself in to Lee County authorities.

Virginia Man Ordered to Pay Restitution for Violation of the Alabama Securities Act

(Mar. 10, 2010) Rudolph A. Polson, once a resident of Fairfax County, Virginia, appeared in Lee County Circuit Court for a probation and restitution hearing. The Court granted Polson's request for probation and placed him on three years' probation and ordered him to pay \$24,665 in victim restitution within 60 days, and then payment of court costs and fees. Polson pled guilty on Jan. 25, 2010 to a single count of Theft of

(Continued on next page)

ENFORCEMENT HEADLINE SUMMARIES (*Continued*)

Property by Deception, 1st Degree, for his involvement in the offering and sale of an unregistered security, in the form of an investment contract, to a Lee County, Alabama investor. Polson was sentenced to 24 months in prison.

Madison County

Madison County Man Arrested for Alleged Violations of Alabama Securities Act

(Jan. 14, 2010) On January 11, 2010, Mark Edward Doering, 40, of Huntsville, Alabama, was arrested by Madison County Sheriff's deputies for violations of the Alabama Securities Act, placed in the Madison County Jail under a \$25,000 bond and subsequently released on bail. Doering's arrest stems from indictments returned by a December 2009 session of the Madison County Grand Jury. According to an ASC investigation, beginning in June 2003 and continuing through March 2006, Doering allegedly offered and sold to an Alabama investor what Doering described as an investment in Grissom Research, Inc., purportedly headquartered in Huntsville and of which Doering allegedly acted as an agent for the sale of securities. The securities were described as investment contracts in the company. ASC records revealed that Doering was not registered as a securities agent with the agency. The indictment further alleges that Doering offered for sale to an Alabama investor an investment contract in the company; and, used the victim's funds for personal use after representing that the funds would be used to further business development.

Madison County Man Arrested for Alleged Violations of the Alabama Securities Act

(April 27, 2010) Matthew Arnold Gibson of Madison County, was arrested for alleged violations of the Alabama Securities Act. Gibson turned himself in to the Madison County Sheriff's Department on Jan. 29, 2010 and subsequently released under \$30,000 bond. A 20-count indictment was returned by a Dec., 2009 session of the Madison County Grand Jury. The charges are a result of an ASC investigation into a failed industrial park development deal in Choctaw County, Alabama in which nine Alabamians invested money with Gibson's company, Starboard Alabama, LLC, headquartered in Huntsville, an affiliate of Starboard Capital, Inc., of Satellite Beach, Florida. Alabama investors were allegedly issued promissory notes and other forms of investment instruments by Gibson in return for their money. The investors lost approximately \$432,000 in the failed venture with the majority of the investors' money allegedly used by Gibson for personal and other unrelated business expenses. Also apprehended in connection with the same case was Bruce J. Mabey, a Salt Lake City, Utah resident, who was arrested on outstanding warrants by U.S. Customs officers in Atlanta, Georgia on Mar. 29, 2010. and transported to Madison County, Alabama to face charges. Mabey was indicted by the Dec., 2009 session of the Madison County Grand Jury. Mabey's involvement with Gibson centered on his alleged offer and sale of investment contracts to Alabama investors in connection with the Choctaw County, Alabama industrial park development plan.

Florida Man Arrested for Alleged Alabama Securities Act Violations

(Nov. 18, 2010) Patrick Michael Daleiden, 42, whose last known address was Satellite Beach, Florida, turned himself in to the Madison County Sheriff's Department and was arrested on Nov. 1, 2010 for alleged violations of the Alabama Securities Act. A seven-count indictment by a Dec., 2009 session of the Madison County Grand Jury alleged that at least three Alabamians invested in excess of \$400,000 with Daleiden's company, Starboard Capital, Inc., headquartered in Satellite Beach, Florida to allegedly fund a failed industrial park development deal in Choctaw County, Alabama. Alabama investors were allegedly issued promissory notes and other investment instruments by Daleiden in return for their money. The ASC investigation revealed no evidence to support that investor funds were used as represented and that Daleiden allegedly used solicited money for personal benefit. Two individuals associated with Daleiden's company, Matthew Arnold Gibson, a Madison County, Alabama resident; and, Bruce J. Mabey, a resident of Salt Lake City, Utah, were arrested and charged in connection with the same case earlier this year. All three men will face trial in Madison County at a later date.

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ENFORCEMENT HEADLINE SUMMARIES (*Continued*)

Marshall County

California Man, Woman Sentenced for Alabama Securities Act Violations

(May 20, 2010) Randy Morton and Candice Lynn Lewis, both residents of Orange County, California, were sentenced May 18, 2010 in Marshall County Circuit Court. Morton, who pled guilty in 2009 to a single count of securities fraud, was sentenced to a 10-year prison term, split to serve 12 months and ordered to pay \$125,000 in restitution upon his release from prison. He will serve five years of probation after his release. Lewis, who also pled guilty to a single count of securities fraud in 2009, was sentenced to five years imprisonment, suspended to serve five years probation and ordered to pay \$125,000 restitution to victims. Morton and Lewis pled guilty in 2009 to charges related to the pair's involvement as unregistered sales agents for Lifeline Imaging Systems, Inc., an Orange County, California company that claimed to operate a number of "body imaging centers" in California, Arizona and Texas. A Nov. 2007, Grand Jury indictment alleged that Morton and Lewis attempted to raise capital to fund the business and, together with California resident Daniel Caterino, placed "cold calls" nationwide, including calls to several Alabama residents, and solicited funds. Neither the company nor the individuals were licensed or registered to conduct securities business in Alabama. An ASC investigation revealed that approximately \$15,000,000 in capital was raised nationwide, with some of the money purportedly used by the trio for personal and unrelated business expenses. Daniel Caterino was sentenced in Marshall County Circuit Court in July 2009 to a 15-year prison sentence split to serve 30 months, with remaining time served while on probation. He received a \$5,000 fine, ordered to pay attorney fees and court costs and \$340,000 in restitution to victims. Caterino is currently incarcerated with the Alabama Department of Corrections.

Mobile County

Mobile County Man Sentenced for Multiple Violations of Alabama Securities Act

(October 7, 2009) Scott Anthony Harwell, a Mobile County resident, was sentenced Sept. 24, 2009, in Mobile County Circuit Court, for violations of the Alabama Securities Act. The Court imposed a 20-year sentence, split to serve five years, with five years of supervised probation to be served first in order to give Harwell an opportunity to pay \$166,702 in restitution to his victims. Harwell, formerly doing business as Bull and Bear Trading, Inc., a Mobile, Alabama-based company, offered for sale stock shares in the company to several Alabama investors, representing that they would earn a return on their investments from an online system for executing trades in stocks, bonds, mutual funds and other financial instruments. An ASC investigation revealed that Harwell failed to inform investors that his company was not prepared to, nor capable of, executing online trades; and, that the stock offered and sold was not registered as required by Alabama law. Harwell used investors' money for his personal benefit and other unrelated expenses.

Mobile County Man Arrested for Alleged Violations of Alabama Securities Act

(Apr. 28, 2010) John Craig Dickson, 47, of Mobile, Alabama, was arrested April 20, 2010 by Mobile County Sheriff's Department and jailed under \$15,000 bond for alleged violations of the Alabama Securities Act. Based on an ASC investigation, a five-count indictment was handed down by an October 2009 session of the Mobile County Grand Jury. All charges stem from the alleged offer and sale of shares of stock in Dickson's company, Credit Restoration and Mortgage Counseling, LLC (CRMC), headquartered in Mobile, to an Alabama investor. In 2008, Dickson, representing himself as Treasurer and President of CRMC, allegedly solicited \$15,000 from an Alabama investor in order to promote his business, with the promise that the investor would realize a significant return on his investment in a short period of time.

Montgomery County

Montgomery County Man Indicted for Violations of Alabama Securities Act

(November 16, 2009) On October 9, 2009, a Montgomery County Grand Jury indicted Michael Joe Hardiman, 36, a Montgomery County resident, for alleged violations of the Alabama Securities Act. According to the indictment, Hardiman allegedly offered a Montgomery County resident an investment opportunity in his business, claiming that he could purchase a GMAC contract for repossessing vehicles and needed \$10,000

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ENFORCEMENT HEADLINE SUMMARIES (*Continued*)

from the victim to be able to purchase the contract. Hardiman also allegedly represented to the victim that his investment would allow the victim to collect a return each month. The victim discovered that the representations made by Hardiman were false and the victim's money had been used for Hardiman's unrelated personal expenses. An investigation by the ASC also revealed that GMAC does not enter into contracts with individuals to repossess automobiles. Hardiman was arrested October 21, 2009, placed in the Montgomery County jail under \$15,000 bond.

Montgomery County Man Pleads Guilty to Multiple Violations of Alabama Securities Act

(May 11, 2010) Timothy Grant Jones, a Montgomery County resident, pled guilty on April 29, 2010 in Montgomery County Circuit Court to several violations of the Alabama Securities Act. An Oct. 2009 session of the Montgomery County Grand Jury alleged that in 2007 Jones entered into an agreement with a Texas resident to invest \$25,000 of the victim's money to purchase franchise rights for the sale of portable personal storage units in the Montgomery, Alabama area. At the time of the offer, Jones allegedly represented to the victim that his money would return 60 percent profit plus the principle by June 21, 2007. An ASC investigation revealed that Jones had not entered into a contract with the storage unit company to open another franchise in Montgomery and that the victim's money had been used by Jones for unrelated personal expenses.

California Man Arrested, Charged with Alleged Violations of Alabama Securities Act

(Oct. 27, 2010) Peter George Szondy, of Woodland Hills, California, was arrested for alleged violations of the Alabama Securities Act after turning himself in to Montgomery County authorities Oct. 19, was placed under \$75,000 bond and subsequently made bond and released. An ASC investigation helped secure an eight-count indictment against Szondy by the September, 2010 Montgomery County Grand Jury. The indictment alleged that Szondy, doing business as Polymer Global Holdings, Inc., a Nevada corporation with a Woodland Hills, California business address, offered and sold promissory notes, put contracts and shares of his company's stock, valued collectively at approximately \$650,000, to an Alabama investor between 2005 and 2008. The indictment further alleges that Szondy, acting as vice president of Polymer Global Holdings, Inc., failed to repay the notes and put contracts to the Alabama investor as promised and further misled the investor by failing to disclose that neither he, the company nor the investments offered and sold were registered and licensed with the ASC.

Kentucky Men Indicted, Arrested for Alleged Violations of Alabama Securities Act

(Nov. 1, 2010) Gary Byron Hogan, of Louisville, Kentucky; and, William Louis Moore, of Scottsville, Kentucky, were indicted and arrested for alleged violations of the Alabama Securities Act. Hogan turned himself in to the Montgomery County Sheriff's Department on Sept. 8, 2010 and was released on bond. Moore turned himself in to Montgomery County authorities Oct. 8, 2010 and was released on bond. An ASC investigation led to a five-count indictment returned against Hogan by the August, 2010 session of the Montgomery County Grand Jury. According to Court records, Hogan pled guilty to two counts of Securities Fraud and guilty to one count of Sale of Unregistered Securities during an Oct. 20, 2010 hearing in Montgomery County Circuit Court. As part of Hogan's plea agreement, he was ordered to pay victim restitution and court costs. The Grand Jury also returned a three-count indictment against Moore, related to the indictment against Hogan. The indictments against Hogan and Moore allege that in 2007, the men, doing business as Barren Resources Group, LLC, a Nevada corporation, offered and sold to an Alabama investor a one-quarter interest in an oil and gas exploration and drilling venture purportedly managed by the duo's company. The indictment further alleged that the Alabama investor spent \$7,500 in the venture and that Hogan and Moore, in their capacity as company president and vice president respectively, failed to use investor funds as represented but instead used investor money for personal expenses unrelated to the stated purpose.

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ENFORCEMENT HEADLINE SUMMARIES *(Continued)*

California Man Surrenders to Alabama Authorities for Alleged Security Act Violations

(Nov. 17, 2010) Frederick Tayton Dencer, of Tarzana, California, turned himself in to the Montgomery County, Alabama Sheriff's Department on Nov. 10, 2010 and was arrested for alleged violations of the Alabama Securities Act. Dencer was arrested Oct. 13, 2010 in Southern California and placed under \$100,000 bond. Once released on bond in California, Dencer was ordered to report to Montgomery County authorities within 21 days to answer charges. An ASC investigation led to a 19-count indictment against Dencer by a Montgomery County Grand Jury in Sept., 2010. 2005 and 2008, Dencer, doing business as Polymer Global Holdings, Inc., a Nevada corporation, offered and sold promissory notes, put contracts and shares of his company's stock, valued collectively at approximately \$650,000, to an Alabama investor. The indictment further alleges that Dencer, acting as president of Polymer Global Holdings, Inc., failed to repay the notes and put contracts to the Alabama investor as promised and further misled the investor by failing to disclose that neither he, his company nor the investments offered and sold were registered and licensed with the ASC. A second individual associated with Dencer's company, Peter George Szondy of Woodland Hills, California, turned himself in to Montgomery County authorities Oct. 19, 2010 and was arrested and charged in connection with the same case. The ASC expects additional arrests related to this case. Dencer and Szondy are currently free on bail and will face trial in Montgomery County at a later date.

Shelby County

California Couple Sentenced in Shelby County for Illegal Securities Offering

(June 17, 2010) Stanley H. Johnson and his wife, Easter L. Johnson, were sentenced in Shelby County Circuit Court on June 9, 2010 for their involvement in illegal securities offerings tied to a company known as Advanced Body Imaging located in Orange County, California. Stanley Johnson had previously pled guilty to Securities Fraud. Easter Johnson pled guilty to Conspiracy to Sell Unregistered Securities. Stanley Johnson was sentenced to 10 years imprisonment, split to serve three years, with five years supervised probation and ordered by the Court to pay \$20,500 restitution. Mr. Johnson's probation will be served first in order to give him an opportunity to pay restitution. Easter Johnson was sentenced to 12 months in Shelby County jail, suspended in lieu of two years probation. Indictments alleged that the Johnsons attempted to raise capital to fund their business and solicited funds from a resident in Alabama and other states. Charges also alleged that the Johnsons used investors' money for personal and unrelated expenses.

Jefferson County Man Indicted, Arrested for Alleged Violations of Alabama Securities Act

(Nov. 3, 2010) Kyle Andrew Hiers of Birmingham was indicted and arrested for alleged violations of the Alabama Securities Act. Hiers turned himself in to Shelby County Sheriff's authorities on Oct. 26, 2010 and was held on \$142,000 bond. An ASC investigation led to a 71-count indictment being returned against Hiers by the Sept., 2010 session of the Shelby County Grand Jury alleging that between December 2003 and March 2008, Hiers, doing business as TKT Enterprises, LLC, headquartered in Shelby County, Alabama, offered and sold to approximately 25 Alabama investors, promissory notes valued at more than \$1.5 million which were to be used to fund short-term private mortgages. Allegedly, Hiers promised investors that their principle investment would be repaid with interest over a 30 to 60-day period. The ASC investigation revealed that Hiers allegedly used investors' funds for personal benefit and other expenses unrelated to the stated purpose.

Talladega County

Arizona Man Pleads Guilty to Alabama Securities Act Violations

(January 28, 2010) Gene Grobstein, of Scottsdale, Arizona, pled guilty on Jan. 25, 2010 in Talladega County Circuit Court to a single count of Criminal Conspiracy to Sell an Unregistered Security. Grobstein was arrested by Talladega County sheriff's deputies after turning himself in to ASC Enforcement

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ENFORCEMENT HEADLINE SUMMARIES (*Continued*)

agents and the Talladega County Sheriff on May 6, 2009. A Talladega County Grand Jury indictment handed down in Oct., 2008, alleged that Grobstein, doing business as GG Consulting International and described as a financial consulting firm registered in Arizona, offered and sold promissory notes to an Alabama investor. The notes were issued into Alabama from Arizona through the Meta Company, a Sylacauga, Alabama entity. Gary Allen Mitchell, a Sylacauga resident and president of the Meta Company, aided in locating Alabama investors on behalf of Grobstein. The indictment against Grobstein alleged that he failed to repay the notes and misled the investor by failing to disclose that neither he, his company, nor the promissory notes he offered and sold were registered and licensed with the Alabama Securities Commission. Mitchell was subsequently found guilty in August, 2009 in Talladega County Circuit Court of Fraud in Connection with the Sale of a Security and Securities Fraud from his position as an Investment Adviser. He was sentenced to seven years imprisonment on each count, to run concurrently and ordered to pay victim restitution.

Tuscaloosa County

Tuscaloosa County Man Pleads Guilty, Sentenced for Violations of Alabama Securities Act

(Mar. 4, 2010) Gene Thomas “Tommy” LeGrone, Jr., a Northport, Alabama resident, pled guilty on March 1, 2010 to violations of the Alabama Securities Act. Upon acceptance of his guilty plea, the Court sentenced LeGrone to 20 years imprisonment, split to serve three years. An investigation into LeGrone’s business activities by the ASC Enforcement Division resulted in an indictment being handed down by the March 2009 session of the Tuscaloosa County Grand Jury alleging that LeGrone, as owner and operator of Bama Remodeling and Repair, LLC, of Northport, Alabama, illegally entered into an investment contract with two Alabama victims without being registered with the ASC to offer and/or sell such investments. Further, LeGrone allegedly suggested to the victims that their money would be invested by him for home renovation projects and a promissory note for \$50,500 was issued to the victims in July 2006 with a promised return of “interest and profit.” The ASC investigation also revealed that LeGrone made untrue statements, omitted material facts to investors regarding the investment opportunity and used investors’ money for other unrelated expenses.

National

State Securities Regulators File Action Against Morgan Keegan

(April 7, 2010) Joseph P. Borg, Director of the Alabama Securities Commission (ASC); Delbert Hosemann, Secretary of State, Mississippi; Henry McMaster, Attorney General, South Carolina; and Charles A. Vice, Commissioner of Kentucky Department of Financial Institutions; along with William P. Hicks, Associate Regional Director, Securities Exchange Commission (SEC), Atlanta regional office; and Financial Industry Regulatory Authority (FINRA), James S. Shorris, Executive Vice President and Head of Enforcement announced this morning that administrative actions have been filed against Morgan Keegan & Company and Morgan Asset Management and their employees James C. Kelsoe, Brian B. Sullivan, Gary Stringer, and Michele Wood. This action is a direct result of an intensive multi-state investigation, led by the Securities and Charities Division of the Mississippi Secretary of State’s office and the Alabama Securities Commission, and the states of South Carolina and Kentucky in cooperation with the States Securities Regulators from Arkansas, Florida, Georgia, Illinois, Louisiana, Missouri, North Carolina, Tennessee and Texas. Borg said, “We want to thank State Securities officials from Mississippi, South Carolina, Kentucky, Arkansas, Florida, Georgia, Illinois, Louisiana, Missouri, North Carolina, Tennessee and Texas for combining resources to work with the Alabama Securities Commission in this complex investigation. Our intent in this matter is to protect investors and ensure a fair market climate.”

ASC NEWS ARTICLES OF SPECIAL INTEREST

(September 23, 2010) Alabama Securities Director Testifies to the U.S. House of Representatives Concerning 'Modernization' of SIPC

(Sept. 17, 2010) Impact of Financial Regulatory Reform Bill for Investment Advisers and Main Street Investors in Alabama

(July 9, 2010) Alabama Securities Commission Issues Order Against Company for Alleged Unregistered Stock Sales in Wake of Gulf Oil Spill

(June 9, 2010) Alabama Securities Director Nominated to SIPC Financial Modernization Task Force

(April 1, 2010) ALABAMA JOINS IN NATIONAL INVESTOR EDUCATION INITIATIVE

(April 1, 2010) Investors Receive Securities Settlement from American General Securities, Inc.

(March 21, 2010) The Birmingham News-"Cheats Beware: Scam Artists Nationwide Are Well Aware of the Head of the Alabama Securities Commission's Reputation-and It Scares Them"

(October 26, 2009) INVESTOR ALERT: Current Internet "Phishing" Scams Target ARS Investors in Alabama

(October 13, 2009) Alabama Securities Commission Announces Continuation of IARD System Fee Waiver

ASC IN NATIONAL NEWS

The Washington Post JANUARY 13, 2010, 11:39 A.M. ET
GETTING PERSONAL: Reg-D Proposal Costly For Small Companies

InvestmentNews March 16, 2010
The Leading News Source for Financial Advisers
Dodd's financial reform bill leaves state regulators on the bubble

THE WALL STREET JOURNAL. INVESTING MARCH 27, 2010
WSJ.com **Cracking Down on 'Private Placement' Investments**

USA TODAY **Investors look back on a decade of grim stock returns** 12/30/10



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ALABAMA SECURITIES COMMISSION MEETING Sept 21, 2010

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Commissioner of Insurance

ANDREW P. CAMPBELL
Attorney at Law

S. DAGNAL ROWE, SR.
Attorney at Law

The Alabama Securities Commission held a meeting on September 21, 2010 at 1:30 p.m. which was conducted in the conference room located in the Alabama Securities Commission offices on the 2nd Floor of the Center for Commerce Building, 401 Adams Avenue, Montgomery, Alabama. Notice of the time and place of this meeting was published in the Montgomery Advertiser, Birmingham, News/Post Herald, Huntsville Times, Mobile Register and the Secretary of State.

Commission Members Present:

Hon. Marcus Wolf, CPA, Chairman
Hon. Dan Hardman, CPA, Vice-Chairman
Hon. Margaret Fleming (Representing the Attorney General)
Hon. Jim Ridling (Commissioner of Insurance)
Hon. John Harrison (Banking Commissioner)
Hon. Dagnal Rowe, Attorney at Law

Commission Members Absent:

Hon. Troy King, Attorney General
Hon. Andrew Campbell, Attorney at Law

Staff Members Present Were:

Joseph P. Borg, Director
J. Randall McNeill, Deputy Director
Christie Rhodes, Executive Assistant

The meeting was called to order at 1:35 p.m. by Commission Chair, Marcus Wolf.

Motion to approve the agenda was made by Mr. Ridling and seconded by Mr. Rowe. The motion carried unanimously. Then, motion to approve the minutes of the previous meeting held on June 21, 2010 was made by Mr. Rowe and seconded by Mr. Harrison. The motion carried unanimously.


At this time, the monthly report was discussed by Director Borg. Director Borg reported on Commission revenues, expenses and personnel. Borg continued on through the Registration Division,

Enforcement Division, Data Systems and Education and Training activities of the monthly report. After the report was given, motion was made and duly seconded and it was approved unanimously by all Commission members present.

Director Borg informed the Commission that he would be testifying before the House of Representatives Committee on Financial Services and Subcommittee on Capital Markets in Washington. Mr. Borg gave a brief description of his role on the SIPC Task Force and an overview of his upcoming testimony.

At this time, Mr. McNeill, (a licensed attorney in Alabama), certified that one of the exceptions of the Open Meetings Act applies, in that pending litigation will be discussed, and at that time the meeting then went into Executive Session at 2:09 p.m. for the specific purpose of discussion pending litigation per motion by Mr. Hardman, seconded by Mr. Rowe and unanimously approved by all present Commissioners (see list on Page 1 of this documents of "Present Commissioners"). The Executive Session ended at 2:30 p.m. by motion of Mr. Ridling and seconded by Mr. Hardman and unanimously approved by all present Commissioners.

The last meeting item was a motion to pay expenses for the Commissioners. Motion was made by Mr. Rowe and seconded by Mr. Hardman. The motion carried unanimously. Motion to Adjourn was then made by Mr. Hardman and seconded by Mr. Harrison and was unanimously carried. The meeting ended at 2:40 p.m.


MARCUS J. WOLF
CHAIRMAN


JOSEPH P. BORG
DIRECTOR



JOSEPH P. BORG
Director
J. RANDALL McNEILL
Deputy Director
EDWIN L. REED
General Counsel

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CHAIRMAN
MARCUS J. WOLF
Certified Public Accountant

VICE CHAIRMAN
DANIEL C. HARDMAN
Certified Public Accountant

COMMISSIONERS

TROY KING
Attorney General

JOHN D. HARRISON
Superintendent of Banks

JIM L. RIDLING
Commissioner of Insurance

ANDREW P. CAMPBELL
Attorney at Law

S. DAGNAL ROWE, SR.
Attorney at Law

ALABAMA SECURITIES COMMISSION MEETING June 21, 2010

The Alabama Securities Commission held a meeting on June 21, 2010 at 1:30 p.m. which was conducted in the conference room located in the Alabama Securities Commission offices on the 2nd Floor of the Center for Commerce Building, 401 Adams Avenue, Montgomery, Alabama. Notice of the time and place of this meeting was published in the Montgomery Advertiser, Birmingham News/Post Herald, Huntsville Times, Mobile Register and the Secretary of State.

Commission Members Present:

Hon. Marcus Wolf, CPA, Chairman
Hon. Dan Hardman, CPA, Vice-Chairman
Hon. Daniel Morris (Representing the Attorney General)
Hon. Reyn Norman (Representing the Insurance Commissioner)[Non-Voting]
Hon. Dagnal Rowe, Attorney at Law
Hon. Andrew Campbell, Attorney at Law

Commission Members Absent:

Hon. Troy King, Attorney General
Hon. Jim Ridling (Commissioner of Insurance)
Hon. John Harrison (Banking Commissioner)

Staff Members Present Were:

Joseph P. Borg, Director
J. Randall McNeill, Deputy Director
Christie Rhodes, Executive Assistant

The meeting was called to order at 1:35 p.m. by Commission Chair, Marcus Wolf.

Motion to approve the agenda was made by Mr. Morris and seconded by Mr. Rowe. The motion carried unanimously. Then, motion to approve the minutes of the previous meeting held on March 30, 2010 was made by Mr. Morris and seconded by Mr. Rowe. The motion carried unanimously.


At this time, the monthly report was discussed by Director Borg. Director Borg reported on Commission revenues, expenses and personnel. Borg continued on through the Registration Division,

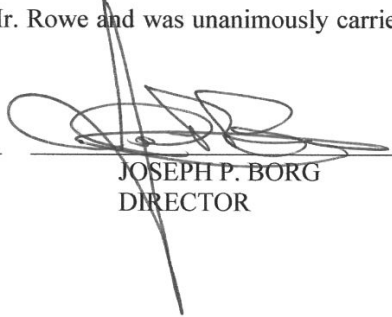
Enforcement Division, Data Systems and Education and Training activities of the monthly report. After the report was given, motion was made and duly seconded and it was approved unanimously by all Commission members present.

Deputy Director McNeill gave the Commission an overview of the new database being updated by ACO and the status of same. The Commission's relationship with the National Computer Forensic Institute (NCFI) (operated by the Department Of Justice, Secret Service and Homeland Security) in Hoover, AL was outlined for the Commissioners. Director Borg also updated the Commissioners on the auction rate securities series of cases and issues pending within the Commission.

At this time, Mr. McNeill, (a licensed attorney in Alabama), certified that one of the exceptions of the Open Meetings Act applies, in that pending litigation will be discussed, and at that time the meeting then went into Executive Session at 2:25 p.m. for the specific purpose of discussion pending litigation per motion by Mr. Campbell, seconded by Mr. Morris and unanimously approved by all present Commissioners (see list on Page 1 of this documents of "Present Commissioners"). The Executive Session ended at 2:55 p.m. by motion of Mr. Morris and seconded by Mr. Campbell and unanimously approved by all present Commissioners.

The last meeting item was a motion to pay expenses for the Commissioners. Motion was made by Mr. Rowe and seconded by Mr. Hardman. The motion carried unanimously. Motion to Adjourn was then made by Mr. Morris and seconded by Mr. Rowe and was unanimously carried. The meeting ended at 3:02 p.m.


MARCUS J. WOLF
CHAIRMAN


JOSEPH P. BORG
DIRECTOR



JOSEPH P. BORG
Director
J. RANDALL McNEILL
Deputy Director
EDWIN L. REED
General Counsel

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Commissioner of Insurance

ANDREW P. CAMPBELL
Attorney at Law

S. DAGNAL ROWE, SR.
Attorney at Law

ALABAMA SECURITIES COMMISSION MEETING March 30, 2010

The Alabama Securities Commission held a meeting on March 30, 2010 at 10:30 a.m. which was conducted in the conference room located in the Alabama Securities Commission offices on the 2nd Floor of the Center for Commerce Building, 401 Adams Avenue, Montgomery, Alabama. Notice of the time and place of this meeting was published in the Montgomery Advertiser, Birmingham News/Post Herald, Huntsville Times, Mobile Register and the Secretary of State.

Commission Members Present:

Hon. Marcus Wolf, CPA, Chairman
Hon. John Harrison (Banking Commissioner)
Hon. Daniel Morris (Representing the Attorney General)
Hon. Dagnal Rowe, Attorney at Law
Hon. Andrew Campbell, Attorney at Law
Hon. Jim Ridling (Commissioner of Insurance)

Commission Members Absent:

Hon. Troy King, Attorney General
Hon. Dan Hardman, CPA, Vice-Chairman

Staff Members Present Were:

Joseph P. Borg, Director
J. Randall McNeill, Deputy Director
Christie Rhodes, Executive Assistant

The meeting was called to order at 10:40 am. by Commission Chair, Marcus Wolf.

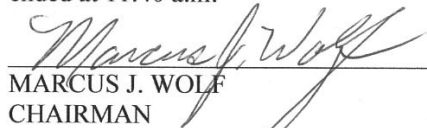
Motion to approve the agenda was made by Mr. Ridling and seconded by Mr. Harrison. The motion carried unanimously. Then, motion to approve the minutes of the previous meeting held on December 14, 2009 was made by Mr. Rowe and seconded by Mr. Campbell. The motion carried unanimously.

At this time, the monthly report was discussed by Director Borg. Director Borg reported on Commission revenues, expenses and personnel. Borg continued on through the Registration Division,

Enforcement Division, Data Systems and Education and Training activities of the monthly report. After the report was given, motion was made and duly seconded and it was approved unanimously by all Commission members present.

At this time, Mr. McNeill, (a licensed attorney in Alabama), certified that one of the exceptions of the Open Meetings Act applies, in that pending litigation will be discussed, and at that time the meeting then went into Executive Session at 11:20 a.m. for the specific purpose of discussion pending litigation per motion by Mr. Campbell, seconded by Mr. Harrison and unanimously approved by all present Commissioners (see list on Page 1 of this documents of "Present Commissioners"). The Session ended at 11:36a.m. by motion of Mr. Ridling and seconded by Mr. Morris and unanimously approved by all present Commissioners.

The last meeting item was a motion to pay expenses for the Commissioners. Motion was made by Mr. Rowe and seconded by Mr. Morris. The motion carried unanimously. Motion to Adjourn was then made by Mr. Morris and seconded by Mr. Harrison and was unanimously carried. The meeting ended at 11:40 a.m.


MARCUS J. WOLF
CHAIRMAN


JOSEPH P. BORG



JOSEPH P. BORG
Director
J. RANDALL McNEILL
Deputy Director
EDWIN L. REED
General Counsel

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ALABAMA SECURITIES COMMISSION MEETING December 14, 2009

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MARCUS J. WOLF
Certified Public Accountant

VICE CHAIRMAN
DANIEL C. HARDMAN
Certified Public Accountant

COMMISSIONERS

TROY KING
Attorney General

JOHN D. HARRISON
Superintendent of Banks

JIM L. RIDLING
Commissioner of Insurance

ANDREW P. CAMPBELL
Attorney at Law

S. DAGNAL ROWE, SR.
Attorney at Law

The Alabama Securities Commission held a meeting on December 14, 2010 at 10:00 a.m. which was conducted in the conference room located in the Alabama Securities Commission offices on the 2nd floor of the Center for Commerce Building, 401 Adams Avenue, Montgomery, Alabama. Notice of the time and place of this meeting was published in the Montgomery Advertiser, Birmingham, News/Post Herald, Huntsville Times, Mobile Register and the Secretary of State.

Commission Members Present:

Hon. Marcus Wolf, CPA, Chairman
Hon. Dan Hardman, CPA, Vice-Chairman
Hon. Jim Ridling, (Commissioner of Insurance)
Hon. John Harrison (Banking Commissioner)
Hon. Daniel Morris (Representing the Attorney General)

Commission Members Absent:

Hon. Troy King, Attorney General (Represented by Hon. Daniel Morris)
Hon. Dagnal Rowe, Attorney at Law
Hon. Andrew Campbell, Attorney at Law

Staff Members Present Were:

Joseph P. Borg, Director
J. Randall McNeill, Deputy Director
Christie Rhodes, Executive Assistant

Guests Present:

James L. Hart, CPA, Board Member Pending Senate Confirmation

The meeting was called to order at 10:12 a.m. by Commission Chair, Marcus Wolf.

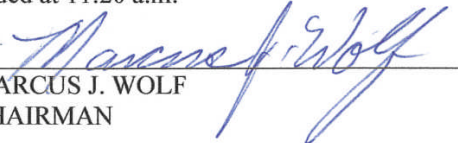
Motion to approve the agenda was made by Mr. Ridling and seconded by Mr. Morris. The motion carried unanimously. Then, motion to approve the minutes of the previous meeting held on June 3, 2009 was made by Mr. Morris and seconded by Mr. Hardman after a brief discussion of a minor change in said minutes. The motion carried unanimously.

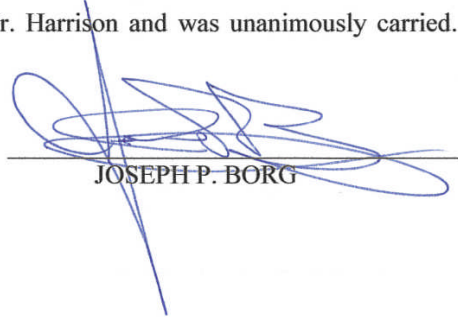
At this time, the monthly report was discussed by Director Borg. Director Borg reported on Commission revenues, expenses and personnel. Borg continued on through the Registration Division, Enforcement Division, Data Systems and Education and Training activities of the monthly report. After the report was given, motion was made by Mr. Hardman to accept the report and Mr. Morris seconded said motion and it was approved unanimously by all Commission members present. A copy of the report is attached to these minutes and incorporated herein by reference.

Mr. Borg then went on to discuss new business with the Commission. A discussion regarding Federal financial reform and the impact that may have on the Commission staff's workload and the prospect of hiring additional auditors. Additionally, the Commission was briefed on Spencer Bachus's amendment to the financial reform bill with respect to FINRA. The Commission was also apprised of the ASC's new attorney, Hon. Greg Biggs and General Counsel Ed Reed's appointment as a DAG.

At this time, Mr. Morris, (a licensed attorney in Alabama), certified that one of the exceptions of the Open Meetings Act applies, in that pending litigation will be discussed, and at that time the meeting then went into Executive Session at 10:55 a.m. for the specific purpose of discussion pending litigation per motion by Mr. Morris, seconded by Mr. Hardman and unanimously approved by all present Commissioners (see list on Page 1 of this documents of "Present Commissioners"). The Session ended at 11:15 a.m. by motion of Mr. Hardman and seconded by Mr. Harrison and unanimously approved by all present Commissioners.

The last meeting item was a motion to pay expenses for the Commissioners. Motion was made by Mr. Morris and seconded by Mr. Harrison. The motion carried unanimously. Motion to Adjourn was then made by Mr. Morris and seconded by Mr. Harrison and was unanimously carried. The meeting ended at 11:20 a.m.


MARCUS J. WOLF
CHAIRMAN


JOSEPH P. BORG



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IS TO
PROTECT
INVESTORS
FROM
SECURITIES FRAUD
AND PRESERVE
LEGITIMATE CAPITAL
MARKETS
IN ALABAMA.**

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