



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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FORMER AIG SECURITIES SALESMAN DEFRAUDS ARIZONA INVESTORS, FACES CRIMINAL CHARGES

PHOENIX – The Arizona Corporation Commission ordered a former AIG securities salesman to pay \$150,000 in penalties and to pay \$582,076 in restitution for misappropriating the funds of nine investors.

The Commission revoked the securities registration of 53-year-old Gary Wayne Hardy, who was a securities salesman with AIG Securities, Inc., formerly known as SunAmerica Securities. Hardy, of Chandler, was a salesman with the firm from August 2000 until his resignation in June 2006. The Commission also revoked the license of Hardy's Tempe-based investment consulting firm, Hardy Asset Management.

Investors believed that Hardy was placing their funds in legitimate investments such as certificates of deposits, bonds or annuities. The Commission found, however, that Hardy misappropriated investor funds for his personal use.

The Commission found that most of the investors did not receive transaction confirmations, statements or other written information verifying the existence of their investments. Hardy sent some customers falsified Hardy Asset Management statements or "customer reports" that reflected securities transactions.

One investor received a document for a \$50,000 investment in "selected bonds" that Hardy claimed to have acquired for the portfolio. The investor made several requests for more information about his investments, but Hardy failed to provide documentation as to how or if the money was invested. The investor subsequently filed a complaint with the Tempe Police Department.

The National Association of Securities Dealers has barred Hardy from associating with any registered securities dealer.

In September 2006, the Commission conducted a full public hearing regarding the fraud charges against Hardy, but he did not appear to plead his case. He also was not represented by an attorney at the Commission's hearing. Hardy has been indicted on theft charges and is scheduled for a criminal trial in Superior Court on March 26, 2007.

To access the full text of the order, click on the following link: <http://www.azcc.gov/enforcement/enforce-orders.asp>. All public documents related to the cases can be viewed and/or printed through the Commission's e-Docket system. The docket number assigned to the Hardy case is S-20426-05-0768.

Caution for Investors

Before investing, people should verify the registration of sellers and investment opportunities and investigate disciplinary histories by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242 or toll free outside the Phoenix metropolitan area and Arizona at 1-866-VERIFY-9. The Division's investor education website also has helpful information at www.azinvestor.gov.