



COMMISSION NEWS

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

TO: EDITORS, NEWS DIRECTORS
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BEWARE OF HURRICANE-RELATED SCAMS, REGULATORS WARN

PHOENIX—In the wake of widespread devastation caused by Hurricane Katrina in Louisiana, Mississippi, Alabama, and Florida, the Arizona Corporation Commission today warned investors to beware of opportunistic investment scams.

“Bottom-feeding con artists always try to find ways to exploit tragic headlines to cash in on unsuspecting investors,” said Commission Chairman Jeff Hatch-Miller.

“In the aftermath of this week’s tragedies, investors should be patient and cautious when making decisions about their finances,” Commissioner Marc Spitzer said, noting that cold-calling telephone salespeople, advertisements, or internet postings that tout investment pools or bonds to help hurricane victims, or supposed water-removal or purification technologies and electricity-generating devices should be a red flag for investors.

Commissioner Bill Mundell also urged investors to watch out for oil-and-gas scams given the current oil prices and the prospects of even higher prices following Katrina’s destructive path through Gulf of Mexico oil fields and refineries.

Recalling that many con artists exploited fears associated with the September 11 terrorist attacks and the Year 2000 computer bug to promote investments in precious metals, emergency preparedness scams and non-existent technology companies, the Commissioners urged investors to always request written information that fully explains the investment opportunity.

“People should not be afraid to hang up on aggressive cold callers promoting hurricane-related or oil-and-gas investments,” Commissioner Kris Mayes said. “A cold caller has one priority – to make a sale. A solid investment needs to fit with your priorities and objectives.”

Commissioner Mike Gleason also urged Arizona residents to “ignore unsolicited e-mail or internet messages discussing small companies with new hurricane-related technologies or products. Unfortunately, these opportunistic schemes pop up after any tragedy.”

Contact your state securities regulator to check that both the seller and investment are licensed and registered. If not, they may be operating illegally. Entrusting your money with someone for investment purposes, while expecting a profit through the efforts of others, may involve a security and sales agents/dealers subject to registration. **VERIFY BEFORE YOU BUY!** Call the Securities Division, (602) 542-4242, toll free (866) VERIFY-9. The Division’s investor education web site also has helpful information at www.azinvestor.gov.

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