



ARIZONA CORPORATION COMMISSION

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ARIZONA CORPORATION COMMISSION CAUTIONS INVESTORS AGAINST MAKING UNINFORMED DECISIONS AMID WALL STREET CRISIS

PHOENIX, AZ—Amid ongoing market volatility and unprecedented turmoil on Wall Street, the Arizona Corporation Commission today cautioned investors against making hasty and uninformed investment decisions. The Commission also reminded investors about the important safeguards protecting their brokerage account assets.

The Commission's securities investigators often find con artists who scour the headlines to prey on the worries and fears of main street investors. With the current economic situation, the Commission warns that scammers have geared up to promote various investment schemes with promises of sky-high returns. If history is any guide, these investments will be worth less than the paper on which they are printed.

The Commission urges investors to make informed decisions about their long-term financial holdings and to seek the advice of a trusted investment adviser or financial planner before making any investment decisions. Investors should also be wary of unsolicited financial advice or investment opportunities. In times of confusion, fear, and uncertainty, there are always those who will try to prey on the investing public.

The Commission's Securities Division provided the following tips for investors:

- Contact the Commission's Securities Division with any questions about an investment firm, professional, or product. Make sure that both the seller and investment are licensed and registered. If they are not, they may be operating illegally.
- Use common sense. Some things really are too good to be true. Get a professional, trusted third-party opinion when presented with investment opportunities that seem to offer unusually high returns in comparison to other investment options.
- Request written information that fully explains the investment, such as a prospectus or offering circular. The documentation should contain enough clear and accurate information to allow you or your financial adviser to evaluate and verify the particulars of the investment.
- If you participate in an employer-sponsored retirement plan, such as a 401(k) plan, get unbiased advice and guidance before making any significant changes to your long-term savings and investment strategy.

The Commission also reminded investors that the Securities Investor Protection Corporation (SIPC) maintains a special reserve fund authorized by Congress to help investors at failed brokerage

firms. SIPC acts either as trustee or works with an independent court-appointed trustee in a brokerage insolvency case to recover funds. Additional information about SIPC is available at www.sipc.org.

Moreover, rules of the U.S. Securities and Exchange Commission (SEC) require registered broker-dealers to maintain net capital to provide financial resources so that customers will get their cash and securities back if the firm fails. According to the SEC, customer claims for their funds and securities are senior to other claims on the broker-dealer.

More caution for investors:

Even when investing with someone they know, investors 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 in Arizona at 1-866-VERIFY-9. The Division's investor education web site also has helpful information at www.azinvestor.gov.

"These are challenging times," said **Commissioner Jeff Hatch-Miller**. "The Arizona Corporation Commission will stand with Arizona's investors in protecting your hard-earned assets. Be vigilant, be cautious, stay informed."

"If someone approaches you about a potential investment, you should inform that person that you will verify their registration history with the Arizona Corporation Commission's Security Division," said **Commissioner Gary Pierce**. "Even if you decide not to invest, your call to our Security Division may help save your neighbor's retirement."

"Unfortunately, the current economic climate provides a ripe environment for scam artists and other predators," said **Commissioner Kris Mayes**. "I urge investors to use caution and seek information to verify the legitimacy of investments before investing their hard earned dollars."

"As Benjamin Franklin said, 'an ounce of prevention is worth a pound of cure;' and that still holds true today," said **Commissioner Bill Mundell**. "If an investment sounds too good to be true, it probably is, and it is well worth the time it takes to research the veracity of an investment and its dealer to prevent being swindled out of your money."

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