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FOR IMMEDIATE RELEASE

Alabama Securities Commission Urges Investors to Carefully Check Credentials of ‘Senior Specialists’

MONTGOMERY, ALABAMA (December 12, 2005) The Alabama Securities Commission today urged seniors to carefully check the credentials of individuals holding themselves out as “senior specialists.”

“Individuals may call themselves a ‘senior specialist’ to create a false level of comfort among seniors by implying a certain level of training on issues important to the elderly. But the training they receive is often nothing more than marketing and selling techniques targeting the elderly,” said Joseph Borg, Director of the Alabama Securities Commission.

“These sales people and the alphabet soup of letters after their names can be confusing, and in some cases, may even be deceptive to seniors,” Borg said.

Borg said that the North American Securities Administrators Association (NASAA) has observed a significant increase in designations claiming to provide the holder with expertise in providing services to investors 55 years and older. Borg, who is president-elect of NASAA, said securities regulators have opened 26 cases in the past year involving “senior specialists” in the eastern half of the United States alone. Most of the cases involve securities recommendations by individuals who are not properly licensed by state securities regulators.

Borg said bogus senior specialists commonly target senior investors through seminars where the specialist reviews seniors’ assets, including securities portfolios and typically recommends liquidating securities positions and using the proceeds to purchase indexed or variable annuities products or other investments the specialist offers.

In many jurisdictions, including Alabama, these recommendations may be viewed as providing investment advice for compensation. “The senior specialist would be offering investment advice as an unregistered investment adviser and, therefore, be subject to enforcement action by regulatory agencies,” Borg said.

Although there are legitimate organizations whose members must complete rigorous programs of study, pass extensive examinations, and have practical experience in order to receive their designations, a number of entities formed in the last few years have created designations with much less stringent requirements, Borg said. Without reviewing the course material for each of these designations, it is difficult to verify the claims made by the promoters.

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“Before doing business with any investment professional, all investors, especially senior investors, should check with their state securities regulator to determine whether the individual is properly licensed and if there have been any complaints or disciplinary problems involving the individual or his or her firm,” Borg said.

For more information, visit the Senior Investor Resource Center on the NASAA website at www.nasaa.org or the Alabama Securities Commission website at www.asc.state.al.us.

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The Director of the Alabama Securities Commission (ASC) cautions potential investors to thoroughly check out any investment opportunity. Contact ASC for inquiries regarding securities broker-dealers, agents, investment advisors, investment advisor representatives, financial planners, the registration status of securities, to report suspected fraud, or obtain consumer information:

For more information contact:

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If you have questions or require more information call Dan Lord, Education and Public Affairs.