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**Director of Alabama Securities Commission Addresses National Press Club  
In Washington, D.C. – A Pro-Investor Legislative Agenda for the 110<sup>th</sup> Congress**

Montgomery, AL (January 25, 2007) - Joseph P. Borg, Director of the Alabama Securities Commission and President of the North American Securities Administrators Association (NASAA) addressed the National Press Club today in Washington, D.C.

Director Borg expressed his appreciation to Sen. Richard Shelby, a fellow Alabamian, for his strong leadership on the Senate Banking, Housing and Urban Affairs Committee; Sen. Herb Kohl of Wisconsin, for his guidance on the Senate Special Committee on Aging to spotlight the growing need for the protection of senior investors; and Rep. Spencer Bachus, another Alabamian, for his leadership of the House Financial Institutions Subcommittee. “We look forward to building upon our momentum as we work with the new leadership of the 110<sup>th</sup> Congress, especially incoming Chairman, Sen. Christopher Dodd at Senate banking; Rep. Barney Frank at the House Financial Services Committee; and, Rep. Paul Kanjorski of the House Capital markets Subcommittee,” Borg said.

He emphasized the importance of protecting investors and punishing those who would victimize them with abusive sales practices as fundamental roles of government, be it federal, state, or provincial. Director Borg said that NASAA members are dedicated to pursuing those firms and individuals who have violated securities laws within its jurisdiction. The legislative agenda Borg announced today advances this legacy of investor protection.

The items in the agenda fall into five broad categories:

- Preserving the authority of state regulators to protect investors, and evaluating the negative effects of preemption of certain state laws;
- Strengthening the mechanisms currently in place that provide redress to investors for wrongdoing by industry participants;
- Maintaining federal laws designed to insure corporate accountability and shareholder confidence;
- Promoting sound and effective regulatory initiatives; and,
- Improving the scope and breadth of investor education efforts.

Three key components of the upcoming legislative agenda were discussed with attendees: preserving the regulatory authority of state securities regulators, restoring fairness and balance in the securities arbitration system and encouraging hedge fund transparency and pension protection.

Director Borg stated that the cornerstone of this year’s legislative agenda is vigilance in fighting attempts, such as the Committee on Capital Markets Regulation’s recent Interim Report,

to neutralize state regulators who are aggressively protecting investors. Borg expressed appreciation to Chairman Dodd's belief that, quote, "While we have an obligation to ensure that our legal and regulatory system helps to foster growth and promotes innovation, we must not damage the fundamental rights and protections that underpin the investor confidence critical to the success of our capital markets."

"The international competitiveness of our capital markets is, of course, important to maintaining America's economic leadership in the world," Borg added. "But rolling back a system of regulation that has vigorously protected U.S. investors for decades could have profound and costly consequences if it went too far."

Reflecting NASAA's belief that there must be continued cooperation and shared efforts among state, federal, and industry regulators, Borg said that many NASAA jurisdictions have excellent relationships with fellow regulators, which NASAA believes are vital to effective and efficient regulation. "Just last year, the level of cooperation reached new heights, as reflected by NASAA's participation in a joint national initiative with the SEC and NASD to protect seniors from investment fraud and sale of unsuitable securities. These synergies serve as building blocks for other cooperative efforts," Borg said.

Referring to the exponential growth and largely unregulated nature of the hedge fund industry, Director Borg said there are presently more than 8,000 such funds available to investors with assets in excess of \$1 trillion. He expressed NASAA's support of regulatory efforts to ensure greater transparency for investors while not overburdening the hedge fund industry. He cited NASAA's call for state securities regulators to be able to more aggressively monitor investments of pension fund capital in hedge funds, for example, in order to ensure those monies are not subject to undue risks.

Prior to entertaining questions, Director Borg reemphasized the items on NASAA's legislative agenda. During the 110<sup>th</sup> Congress NASAA will actively support efforts to:

- Maintain the strong investor provisions of the Sarbanes-Oxley Act;
- Define equity-indexed annuities as securities;
- Uphold the role of states in data security breach protection;
- Increase sanctions for crimes against senior citizens; and
- Advance and increase financial education efforts.

"Taken together, our agenda clearly revolves around doing what's right for investors," Borg stated. "This has always been our priority and we will not waver in this regard. We look forward to working with members of Congress and fellow regulators to ensure that investors have all the protection they deserve and that our capital markets remain the most effective and efficient in the world," he concluded.

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