



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
BUSINESS REGISTRATION DIVISION

DCCA News Release

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WAR, TERROR FEARS COULD BE EXPLOITED BY CON ARTISTS, SECURITIES REGULATORS WARN

HONOLULU— With the U.S. at war in Iraq and heightened warnings of terrorism at home, investors should not make panicky financial decisions, state securities regulators are warning. They also warned consumers to beware of con artists seeking to capitalize on anxiety and uncertainty.

Regulators across the country are warning the public to beware of high-pressure pitches for non-traditional investments such as strategic metals, foreign currency, oil and gas investments or small companies that supposedly have products or technology to combat chemical or biological terrorism or other possible threats.

In the wake of the September 11 attacks, state and federal securities regulators warned about and took action against promoters of companies touting anthrax detectors and “revolutionary” security-enhancing technologies. In the run-up to the Year 2000, when there were concerns about possible computer glitches, hucksters tried to exploit fears to sell investments in precious metals, emergency preparedness scams and phony technology companies.

Mark E. Recktenwald, Director of the Department of Commerce and Consumer Affairs which regulates the securities industry, urges investors to:

- Hang up on aggressive cold callers promoting “safe” investments such as precious metals, oil and gas schemes and to ignore tips about tiny companies with new anti-terrorist technologies or products.
- Contact your state securities regulator to check that both the seller and the investment are licensed and registered. If they aren't, don't invest.

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- Request written information about any investment; carefully review it or ask your financial adviser to evaluate it.
- Use common sense. Pie-in-the-sky promises are usually signs of investment fraud.

The Hawaii Department of Commerce and Consumer Affairs can also provide answers to questions about investments, as well as the stockbroker or brokerage firm selling them. Contact the Securities Enforcement Branch of the Department of Commerce and Consumer Affairs at 586-2740 on Oahu. The toll free numbers for the neighbor islands are as follows:

Big Island:	974-4000, then enter 62740 and hit #
Kauai:	274-3141, then enter 62740 and hit #
Maui:	984-2400, then enter 62740 and hit #
Molokai & Lanai:	1-800-468-4644, then enter 62740 and hit #.