



# ***DCCA NEWS RELEASE***

BUSINESS REGISTRATION DIVISION

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## **SECURITIES INDUSTRY AND REGULATORS LAUNCH COMBINED INVESTOR EDUCATION INITIATIVE**

### **Group Unveils Informational Brochure On Promissory Notes Saving & Investment Proclamation Signed By Hawaii Governor**

Honolulu, Hawaii April 20th – On Wednesday, April 18th, Governor Cayetano signed a proclamation to kick off April as the State Saving and Investing Month. As part of the fourth annual Facts on Saving and Investing Campaign, representatives from the Department of Commerce & Consumer Affairs will be visiting schools and retirement homes to reach out to residents of all ages and backgrounds. During the month-long effort, state securities regulators will join a broad-based coalition of consumer groups, Securities Industry Association representatives, regulators, and educators from the University of Hawaii to focus on youth financial literacy, ways to guard against fraud and how to prepare for retirement.

At the national level, and in an effort to ensure that the 78 million Americans who own securities are better informed about the ins and outs of investing, the National Association of Securities Dealers, the North American Securities Administrators Association, the Securities and Exchange Commission, and the Securities Industry Association have joined forces to launch a combined investor education campaign. To mark the initiative's kick-off, the coalition yesterday introduced a jointly published brochure, "Promissory Notes: Promises, Problems."

Newcomers and even more experienced investors can be deterred by the seeming complexity of markets, the vast number of investment options available, and the barrage of often conflicting advice. The joint investor education initiative will focus on delivering necessary information to the public in direct, jargon-free language.

"One of the most important mandates of NASD Regulation is to provide investors with the educational tools that will guide them to make informed investment decisions," said Mary L. Schapiro, president of NASD Regulation. "When investors take the time to learn the facts, they maximize their investment choices and protect themselves from becoming victims of fraud. Combining efforts within the securities industry makes excellent sense and will increase our ability to reach investors."

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

BENJAMIN J. CAYETANO, Governor

KATHRYN S. MATAYOSHI, Director

NOE NOE TOM, Deputy Director

"Promissory note fraud is especially pernicious because it often targets older Americans seeking safe, fixed-rate investments as a steady source of retirement income. These investors want to safeguard their life savings -- and not line the pockets of scam artists," said SEC Acting Chairman Laura S. Unger. "This joint brochure will help Americans of all ages invest wisely and avoid financial fraud."

"Broadly marketed promissory notes are always risky and often fraudulent," said Deborah Bortner, president of NASAA and director of securities for Washington state. "Con artists know that market volatility has people looking for somewhere 'safe' to put their money, so they pitch promissory notes as high-return, low-risk investments. But investors should continually remind themselves that low risk means lower return."

"Investor education is the cornerstone of our effort to enhance the public's trust and confidence in capital markets and the securities industry," said Marc Lackritz, SIA's president. "With more and more Americans owning securities - the vast majority of those relying on the capital markets to build up retirement nest eggs - it's more important than ever that the public has access to educational information. Working with the SEC, NASD Regulation, and NASAA, we can help all Americans invest wisely."

Organized in 1919, the North American Securities Administrators Association is the oldest international organization devoted to investor protection. The membership of the voluntary association consists of 66 state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, Canada, and Mexico. [www.nasaa.org](http://www.nasaa.org).

NASD Regulation, Inc. is the independent subsidiary of the National Association of Securities Dealers, Inc. charged with regulating the securities industry and The Nasdaq Stock Market(s). Through its many departments and offices, NASD Regulation's jurisdiction extends to over 5,500 firms with more than 85,000 branch offices, and over 680,000 securities industry professionals. NASD Regulation accomplishes this oversight through the registration, education, testing and examination of member-firms and their employees, and through the creation and enforcement of rules designed for the ultimate benefit and protection of investors. [www.nasdr.com](http://www.nasdr.com).

The U.S. Securities and Exchange Commission protects investors and maintains the integrity of the securities markets. The SEC's Office of Investor Education and Assistance provides a variety of services to address the problems and questions investors face. [www.sec.gov](http://www.sec.gov).

The Securities Industry Association brings together the shared interests of more than 680 securities firms to accomplish common goals. SIA member-firms (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. [www.sia.com](http://www.sia.com).