



IDAHO

DEPARTMENT OF FINANCE

C.L. "BUTCH" OTTER
Governor

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NEWS RELEASE

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DEPARTMENT OF FINANCE, SIPC ADDRESS BROKERAGE ACCOUNT SAFETY

FINANCIAL LITERACY MONTH TIP OF THE WEEK

(Boise)—In the wake of recent turbulence in the financial markets, the Idaho Department of Finance has joined with the Securities Industry Protection Corporation (SIPC) and others to remind investors of the important and effective safeguards in place to protect their brokerage account assets.

"In light of the recent financial impairment of a major Wall Street firm and the ongoing volatility in the U.S. securities markets, it is understandable that Main Street investors may have questions about the safety of assets in their brokerage accounts. The Department of Finance and SIPC want to ensure that investors are well informed about their rights and the protections afforded them under our nation's securities laws," said Gavin Gee, Director of Finance.

SIPC president Stephen Harbeck said: "When a brokerage firm is closed due to bankruptcy or other financial difficulties and customer assets are missing, SIPC steps in as quickly as possible and works to return customers' cash, stock and other securities. Without SIPC, investors at financially troubled brokerage firms might lose their securities or money forever or wait for years while their assets are tied up in court." Funds from the SIPC reserve are available to satisfy the remaining claims of each customer up to a maximum of \$500,000, including a maximum of \$100,000 on claims for cash. According to the SIPC website: "It is important to understand that SIPC is not the securities world equivalent of FDIC—the Federal Deposit Insurance Corporation. Congress specifically considered creating a Federal Broker-Dealer Insurance Corporation, but lawmakers wisely concluded that such a designation would be both misleading and out of step in the risk-based investment marketplace.." The statute that created SIPC provides that customers of a failed brokerage firm receive all non-negotiable securities – such as stocks or bonds – that are already registered in their names or in the process of being registered.

The phrases "MEMBER SECURITIES INVESTOR PROTECTION CORPORATION" or "MEMBER SIPC" appear in all signs and ads of SIPC members. If you have a question as to whether or not a particular firm is a member of SIPC, call the SIPC Membership Department at (202) 371-8300 or visit SIPC on the Web at www.sipc.org.

One alert Idahoan did call SIPC to find out if a broker advertising SIPC protection was in fact a member. That call ultimately led to the 2006 arrest of Shane Michael Turner on seven counts of grand theft, eight counts of securities fraud and one count of money laundering. Instead of paying \$170,000 in restitution, Turner failed to appear at his sentencing and was later arrested in Elko, Nevada. Turner is now to be sentenced in Ada County District Court on April 4, 2008.

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April has been declared Financial Literacy Month in Idaho by Governor C. L. "Butch" Otter. During the month, the Department of Finance will be issuing various financial tips on current subjects. If there is a topic you would like to see addressed, please submit your idea to inance@finance.idaho.gov. Director Gee also urges investors to contact the Department at (208) 332-8000 or toll free within Idaho at 1-888-346-3378 with any questions about an investment firm, professional or product. You can also contact the Department by email at inance@finance.idaho.gov.



TEAMING UP FOR EDUCATION "WHAT'S HAPPENING IN APRIL"

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Upcoming events during Financial Literacy Month include:

- **April 1** — Department of Finance (DOF) presentation to Vallivue High School regarding identity theft and credit cards.
- **April 11** — DOF presentation to the National Association of Retired Federal Workers regarding identity theft.
- **April 15** — DOF presentation to BSU University 101 class regarding the Wise Use of Credit.
- **April 16** — DOF presentation to Emmett High School regarding the Wise Use of Credit.
- **April 17** — DOF presentation to BSU University 101 class regarding the Basics of Savings and Investing. **April 18** — The Idaho Financial Literacy Coalition sponsors the conference "Your Money Matters." This free, community event will be held at the Nampa Civic Center from 8:30-12:00. The DOF will conduct a workshop regarding "Credit Reports and Credit Scoring".
- **April 21-25** — Kootenai County Financial Literacy Task Force sponsors "Financial Literacy Week." During this week, DOF will be presenting to various Kootenai County high schools concerning credit card use and credit scoring.
- **April 22** — DOF presentation to Minico High School regarding the wise use of credit cards.
- **April 23** — Gavin Gee will be the keynote speaker at a luncheon for community and business leaders sponsored by the Kootenai County Financial Literacy Task force in Coeur d'Alene. Mr. Gee will also be providing information on financial literacy at the annual meeting of the North Idaho Chapter of the Idaho Credit Union League in Post Falls, Idaho.
- **April 25** — DOF Consumer Affairs Officer Jo Ann Lanham to speak at a brown bag lunch at the Coeur d'Alene Library from 12:00-1:00 on the topic of "Credit and Credit Scoring".
- **April 29**—Idaho Financial Literacy Coalition member Zions Bank will send volunteers to schools throughout Idaho as part of Teach Children to Save Day.
- **April 29**—Idaho Financial Literacy Coalition member Syringa Bank (Eagle Promenade Branch) is also participating in Teach Children to Save Day.

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Department of Finance Press Releases and other information can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.