NEWS RELEASE

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IDAHO SECURITIES REGULATORS CAUTION INVESTORS ABOUT ONLINE TRADING

BOISE, IDAHO -- As millions of investors open online brokerage accounts and Wall Street's computer systems strain to keep up with demand, Idaho Department of Finance Director Gavin Gee today offered some advice and urged caution.

An estimated 7.5 million investors have online brokerage accounts, a number that's expected to top 10 million by the Year 2000. Not surprisingly the online brokerage industry is experiencing growing pains. State and national securities regulators have been bombarded with complaints from investors stemming from much-publicized outages and computer glitches at major online brokerage firms.

On February 4, New York's Attorney General, Elliot Spitzer, announced an inquiry into online trading firms. Spitzer wants to know, among other things, details about their technological capacity, contingency plans, customer complaints and how orders are processed and executed. "There's no question that the Internet and online investing have leveled the playing field between Wall Street and Main Street and driven transaction costs through the floor," said Gee. "None the less investors need to understand that technology isn't infallible--especially in a startup industry. They also need to recognize that there's a big difference between online investing and online trading."

Gee offered these tips for investors venturing on line.

- Before you pick an online brokerage firm, shop around. Magazines like Money and Kiplinger's Personal Finance rate online brokers using such criteria as speed of execution and customer satisfaction.
- Call your state securities regulator (208/332-8004 for Idaho residents) to see if the firm is properly registered. Ask for the firm's CRD record to determine whether it has a regulatory disciplinary history. (CRD stands for Central Registration Depository, a computer database containing information on all registered brokers and brokerage firms in the U.S.)
Look beyond the slick advertising. Carefully read the customer account agreement. Understand what you're getting and what you're not getting. Know your rights.

Read postings on Internet news groups to see what other online investors are saying about specific firms as well as the industry.

Make sure you understand how the software works before you make your first trade; find out where to go if you make a mistake or have a problem.

Remember that technology can and does fail and that any system could be overwhelmed by demand in highly volatile market conditions. Your order could be delayed and you may not get the price you want. Consider using limit orders as opposed to market orders.

If you have a problem with your online brokerage firm, try to resolve it first by contacting the firm's branch manager or compliance officer. If that fails, contact our Department or the regulatory arm of the National Association of Securities Dealers (www.nasdr.com).

Gee also urged investors not to be seduced by the allure of online trading. "Who wouldn't want to sit at home in front of their computer and make five grand before lunch? The reality is online trading--as opposed to online investing--is highly risky and only appropriate for people who have money they can afford to lose."

Despite all the media hype about online trading, the real wealth on Wall Street is still made the old fashioned way--by searching out quality growth companies and buying and holding for the long term, observed Gee.