



NASAA

# NASAA Insight

*The Voice of State & Provincial Securities Regulation*

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## NASAA Elects Alabama's Joseph P. Borg 2006-2007 President

**Joseph P. Borg**, Director of the Alabama Securities Commission, has been elected to a second one-year term as President of the North American Securities Administrators Association (NASAA) after serving as NASAA President in 2001-2002. He succeeds Wisconsin Securities Administrator **Patricia D. Struck**. North Dakota Securities Commissioner **Karen Tyler** will serve as NASAA's President-elect.

In an address at NASAA's 89th annual conference, Borg said he intends to build on the momentum of past NASAA presidents and will continue working with fellow regulators and industry representatives to serve the best interests of investors.

"When it comes down to it, while we may have our differences, they should not diminish our common goal of doing what's right for investors to maintain their trust and confidence," Borg said. "NASAA and its member jurisdictions are on the right path. I want to build on the progress we've made, the successes we've had, and help NASAA continue to move forward."

Borg also said he will actively work to increase coordination and cooperation with other regulators, specifically state and federal banking regulators and state insurance regulators.

For the past year, Borg has served as NASAA's President-elect. Previously, he served as a member of NASAA's Board of Directors and as chair of NASAA's Enforcement Section. He is currently a delegate to an Intergovernmental Expert Group for the United Nations Commission on International Trade Law (UNCITRAL) to prepare a study on International Fraud and the Criminal Misuse and Falsification of Identity.



*Joseph P. Borg, NASAA President and Director of the Alabama Securities Commission, addressing NASAA's 89th Annual Conference in San Diego.*

Borg has held the position of Director for the Alabama Securities Commission since 1994.

Prior to his public service career, Borg served as in-house corporate counsel to First Alabama Bank (n/k/a Regions Bank, 1979-1984). He has been an adjunct professor of law at Faulkner University Jones School of Law teaching securities law and banking (1982-2002), and has been a partner in the Montgomery law firm of Capouano, Wampold, Prestwood & Sansone (1984-1994). He is admitted to practice law in Alabama, Florida, New York, U.S. Federal District Courts in Alabama and Florida, the 5th and 11th Circuit Courts of Appeal and the U.S. Supreme Court.

## NASAA Introduces 2006-2007 Board of Directors

NASAA announced its 2006-2007 Board of Directors during the association's annual conference in San Diego, California.

The new Board consists of NASAA President and Alabama Securities Commission Director **Joseph P. Borg**; President-elect **Karen Tyler**, North Dakota Securities Commissioner; Past President **Patricia D. Struck**, Wisconsin Securities Administrator; Treasurer **Fred J. Joseph**, Colorado Securities Commissioner; Secretary **James O. Nelson II**, Mississippi Assistant Secretary of State, Business Regulation and Enforcement; **James B. Ropp**, Delaware Securities Commissioner; **Michael Johnson**, Arkansas Securities Commissioner; **Glenda Campbell**, Vice Chair of the Alberta Securities Commission; and **Denise Voigt Crawford**, Texas Securities Commissioner. **Don B. Saxon**, Commissioner of Florida's Office of Financial Regulation, will serve as NASAA Ombudsman. Tyler will succeed Borg as NASAA President in the fall of 2007.



NASAA Past President Patricia Struck stresses the importance of protecting seniors from investment fraud.

**“We are committed to using every resource available to ensure that the golden years of seniors are not tarnished by investment fraud.”**

— NASAA  
President  
Joseph P. Borg  
&  
Past President  
Patricia D. Struck

## OP-ED: Protecting Seniors From Investment Fraud

By Joseph P. Borg  
NASAA President  
&  
Patricia D. Struck  
NASAA Past President

From the "Greatest Generation" to the "Baby Boomers," seniors have worked hard to build both our nation's economic prosperity and a lifetime's worth of savings. As securities regulators, we are committed to using every resource available to ensure that the golden years of seniors are not tarnished by investment fraud.

With the first 'Baby Boomers' turning 60 this year, we join our fellow state securities regulators in sharing a deep concern that investment fraud among seniors could grow significantly.

That's why we are pleased that federal regulators and others have joined us in our ongoing efforts to fight senior investment fraud through targeted, aggressive enforcement combined with financial education to protect investors from unscrupulous individuals.

Con artists have emerged from the side streets and back alleys to Main Street where older investors live. They know that retirees are living longer and are facing greater responsibility for their financial security.

As a result, seniors are being flooded with pitches for investment seminars; many of them promising a free meal along with "little or no risk and higher returns." Unfortunately, in many of the cases that we see, it's just the opposite: high risk and no returns, just disastrous losses.

The current landscape facing senior investors is littered with slick schemes and broken dreams.

While we are seeing a proliferation of troubling schemes involving unlicensed individuals promoting and selling unregistered securities to seniors, we continue to be concerned about the way in which variable and equity-indexed annuities are marketed and sold to seniors.

Let us be clear. Our concerns with variable and equity index annuities are not about the products. These are legitimate

and suitable investments for some, but they are unsuitable for many retirees. And yet they are being pitched aggressively to seniors through investment seminars, where participants aren't always told about high surrender charges for early withdrawals, the potential of exposure to market risk, and the steep sales commissions agents often earn when they move investors into these products.

To learn how you can protect yourself or a loved one from senior investment fraud, please visit the Senior Investor Resource Center on the NASAA website ([www.nasaa.org](http://www.nasaa.org)).

We also urge seniors to make sure they do business only with individuals licensed by their state or provincial securities regulators.

Today's senior investors are our parents, our teachers, and our coaches - the same people we looked up to in our childhoods. They deserve the same respect today. We will not tolerate their victimization by those who would profit from their lifetime's savings.

## NASAA Participates in National Seniors Summit

On July 17, 2006, NASAA joined with the Securities and Exchange Commission, NASD, NYSE, AARP and others in the first-ever Seniors Summit in Washington, D.C. The summit, held at SEC headquarters, focused national attention on the growing problem of senior investment fraud and showcased the actions of state, federal, and industry regulators to protect senior investors.

NASAA was represented at the Summit by then-President **Patricia D. Struck**. She was joined by California Corporations Commissioner **Preston DuFauchard**, and **Tony Lewis**, the Chief Deputy Commissioner from California.

The Summit built on a number of successful NASAA initiatives for the protection of senior investors, including the initiative that several states have begun in partnership with the SEC.

To highlight NASAA's success in senior investor protection, Struck released preliminary findings of a NASAA survey showing that nearly half of all investor complaints received by state securities regulators come from seniors and one-third of enforcement actions taken by state securities regulators involves senior investment fraud. The NASAA survey also found that unregistered securities, variable annuities and equity-indexed annuities are the most pervasive financial product involved in senior investment fraud.

### On the Web

[http://www.nasaa.org/NASAA\\_Newsroom/Current\\_NASAA\\_Headlines/4998.cfm](http://www.nasaa.org/NASAA_Newsroom/Current_NASAA_Headlines/4998.cfm)

## President's Message: Joseph P. Borg

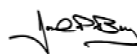
Novelist F. Scott Fitzgerald wrote: "There are no second acts in American lives." I'm not one to challenge the classics, but, as some of you may know, this is my second time around as NASAA's President and I intend to make the most of my "second act."

We have a lot to do going forward — continuing to develop the senior initiative; enhancing our cooperative and coordinated efforts with the Securities and Exchange Commission, NASD, NYSE Regulation, and others; focusing on developing stronger strategic relationships with organizations such as the National Governors Association, the National Council of State Legislatures, the National Association of Attorneys General, the National Association of Secretaries of State, the Conference of State Bank Supervisors, along with our friends at the AARP, Consumer Federation of America and elsewhere.

Our focus will include greater emphasis on the core foundation of NASAA – the state and provincial offices of our members and helping with outreach and education to state and provincial legislatures and officials.

We have challenges as well – point of sale regulation of variable and equity indexed annuities, arbitration and 'BrokerCheck' issues. And, as always, being ever watchful for any attempt to undercut our ability to protect our investor citizens.

I've had a lot of time over the past five years to listen and learn. And, now I'm eager to get to work to earn once again the trust and confidence the NASAA membership has shown in me.



Joseph P. Borg  
NASAA President



***"I intend to make the most of my second act."***

— NASAA  
President  
Joseph P. Borg

## Executive Director's Message: Russ Iuculano

After six months as NASAA's Executive Director, I have a deeper understanding not only of the work our members do, but also how important this work is to investors throughout North America.

In an effort to support this work and better serve the needs of our membership, we have made several enhancements to the Corporate Office and expect more in the near future.

To help advance our goal of promoting investor awareness, we have hired Sarah Lifshin as our new Investor Education Manager. Sarah joins NASAA from the Maryland Bankers Association.

We have also promoted Gina Haidle to a new position as Membership Services and Finance Manager to serve as the liaison and point person for NASAA members and their staffs to call with questions about the benefits and resources NASAA provides.

On the legislative affairs front, I am pleased that Scott Janish has joined our staff as Legislative Affairs Assistant after working for Senator Tim Johnson (D-SD), a member of the Senate Banking Committee. We also look forward to the addition of a State Legislative Affairs Manager to our team.

Finally, I am very pleased to announce that Joseph Brady has been promoted to the position of Associate General Counsel. Joey joined the Corporate Office last year from the Mississippi Office of the Secretary of State, Business Regulation and Enforcement Division. He has provided invaluable counsel on a variety of topics, including investment adviser issues, internal corporate governance matters and outstanding service as the staff liaison to our CRD/IARD Steering Committee.

On a personal note, I want to thank Past President Patty Struck for her leadership and support and I join everyone in the Corporate Office in saying we look forward to working under the direction of President Borg.

### New on NASAA.org **Employment Opportunities**

NASAA is pleased to offer on its website a listing of current employment opportunities within the Corporate Office in Washington, D.C.

This resource is available from the dropdown menu under "About NASAA" on the NASAA website at [www.nasaa.org](http://www.nasaa.org).



NASAA President and  
Alabama Securities  
Commission Director  
Joseph P. Borg

**“What impressed  
me most — and  
still does today  
— was the  
commitment of  
NASAA members  
to protect  
investors.”**

— NASAA  
President  
Joseph P. Borg



NASAA Leadership: President  
Joseph Borg, Past President  
Patricia Struck (center) and  
President-elect Karen Tyler.

## NASAA Presidential Address

The following article is adapted from the September 19, 2006 Presidential Address delivered by Alabama Securities Commission Director Joseph P. Borg at the 89th NASAA Annual Conference in San Diego, California.

Just two weeks after joining the Alabama Securities Commission, I arrived in Boston for my first NASAA Annual Conference. What impressed me most—and still does today—was the commitment of NASAA members to protect investors, to safeguard their hopes, their dreams and their financial futures. And I knew at that point that I could be part of something unique, something fulfilling, and something special.

But enough personal history. I'd like to talk briefly about what we can accomplish together not just over the next 12 months but in continuing the great work that is NASAA's heritage.

Although much has changed in the five years since I last served as NASAA's president, two things remain the same. The first is my strong commitment to fulfill NASAA's mission of investor protection. The second is the gratitude I feel standing before you today.

Preparing for my remarks today, I was reminded of a quote by Sir Isaac Newton, one of history's greatest scientists and mathematicians. He said: “If I have seen farther, it is by standing on the shoulders of giants.”

I feel as if I am standing on the shoulders of giants – giants such as past NASAA Presidents **Christine Bruenn, Ralph Lambiase, Frank Widmann, and Patty Struck.**

Since my first NASAA presidency, these exceptional leaders have advanced the concept of cooperative and coordinated enforcement and regulation, increased public awareness of the value of state securities regulation and have left as their combined legacy a solid foundation of investor protection from which I can only hope to build upon.

Following Patty Struck will not be easy. Patty has distinguished herself among NASAA presidents with her dedication and tireless advocacy on behalf of all investors, especially those most vulnerable to investor fraud – seniors throughout North America.

Through NASAA she not only focused regulatory attention on the issue of senior investor fraud, but also on issues raised by variable and equity index annuity sales practices. We are indeed thankful for her leadership.

NASAA and its member jurisdictions are on the right path. That's why I'm not here today to propose any grand plan, any radical new vision.

Instead, we can build on the progress we've made. I see no reason to reinvent the wheel.

For example, under the leadership of Illinois Securities Director **Tanya Solov**, NASAA's Broker-Dealer Section has focused a national spotlight on the fairness of the arbitration system currently in place to settle securities-related disputes.

I've asked Arizona's **Matt Neubert** to continue this effort as the section's new chair to help bring change to an apparently flawed system. As long as

**“Moving forward we will build  
upon a strong foundation . . . ”**

—NASAA President  
Joseph Borg

the current composition of arbitration panels consist of a mandatory industry representative and public arbitrators who maintain significant ties to industry, the process is fundamentally unfair to investors.

Moving forward, we will build upon a strong foundation left by outgoing Corporation Finance Section Chair Texas Securities Commissioner **Denny Crawford.** Under Denny's leadership, the section has been a leader in calling attention to areas that others may have overlooked, such as special purpose acquisition companies, finders, and tenant-in-common issues.

I am very glad that Denny is joining me on NASAA's Board of Directors and I am equally pleased that the Corporation Finance Section will not miss a beat under the guidance of Washington's **Mike Stevenson.**

A top priority of mine in Alabama and now as NASAA President is the efficient and effective regulation of the growing investment adviser population and the tough but fair enforcement of securities laws designed to protect investors from financial predators.

While the vast majority of investment advisers are honest professionals, the potential for fraud should concern us all.

I commend the work of NASAA's Investment Adviser Section, chaired by District of Columbia Securities Director **Theodore Miles**, to help NASAA members protect investors by making the regulation of small investment advisers more manageable, through careful licensing and on-site examinations.

(Continued on Next Page)

## NASAA Presidential Address

I'm very pleased that New Jersey's **Frank Widmann** has agreed to serve as Investment Adviser Section chair in the coming year. Frank's history not only as past president but also as a former chair of the Broker-Dealer Section will bring great depth to this important area.

Those of you who know me, know that law enforcement has always held a special calling for me. NASAA members have compiled a significant history of bringing enforcement actions, including criminal prosecutions.

NASAA's Enforcement Section, led by North Carolina Deputy Securities Administrator **David Massey**, is actively reaching out to regulators at all levels of government to facilitate cooperative efforts to address investment fraud. I look forward to more of the same from Dave and his team in the year ahead.

I have long believed that one of the most effective weapons in the fight against investment fraud is education. NASAA's Investor Education Section has set the stage for effective and efficient financial education initiatives since its inception nearly 10 years ago.

Under the steady hand of Tennessee Assistant Commissioner for Securities **Daphne Smith**, the Section and its Project Groups have developed and are continuing an innovative series of programs and tools.

In another area of great importance to NASAA, we intend to continue to build upon the work of NASAA's CRD/IARD Steering Committee, chaired by Maryland Securities Commissioner **Melanie Lubin**, to ensure that information about broker-dealers and investment advisers is readily accessible to the investing public, industry, and regulators.

As NASD Chairman Schapiro said in her remarks yesterday, we too look forward to increased cooperation and dialogue between NASAA and the NASD. Let me publicly thank Mary for her comments in support of state regulation. We appreciate that the NASD will not sign on to any suggestion that would limit or remove state jurisdiction in the variable annuity area.

We have done great things together and we have great respect for NASD's opinion and for the differences in our opinions. But any differences will not change the goal we share to protect investors. So although NASAA and the NASD do not agree on the current BrokerCheck proposal, we still urge the SEC to carefully scrutinize it. We believe the current proposal favors the interests of the securities industry over those of investors and provides less disclosure, than the previous proposals, not more.

I appreciate that balancing competing interests is difficult. But with NASAA, the SEC, and the NASD raising to new levels the alarm over abusive tactics by those in the financial services industry aimed at the senior community, serious thought should be given to implementing the previously proposed BrokerCheck rule rather than the proposal currently under consideration by the SEC.

Since my first term, I believe NASAA, and our colleagues at the SEC, as well as the New York Stock Exchange and NASD, have made great strides toward our mutual goal of cooperative and complimentary securities regulation. But as the financial services industry continues to evolve and as new financial products come to market, we need to try to cooperate even more.

Given our limited resources, we simply have to do a better job coordinating, of sharing and of supporting one another. That's the message we shared with SEC Chairman Christopher Cox during meetings earlier this year.

I want to thank Chairman Cox and all the SEC commissioners for their accessibility and their time. I do not believe we have had greater communication and access in the history of the relationship between NASAA and the SEC. You have my commitment to the continuation of this new level of respect, coordination, and partnership.

We fully understand the difference between complementary and duplicative regulation. No one is served by needless and repetitive rules and regulations but they must be utilized and enforced to be effective.

At NASAA we take to heart our role as the "local cop on the beat." To me, this has always meant that we are accessible and ready to answer the call. I want each of you to feel comfortable to contact me, or NASAA's ombudsman, Florida Office of Financial Regulation Commissioner **Don Saxon**, with your questions or concerns.

In the coming year, the Ombudsman's Office will be more active in listening and working with our industry colleagues. A balanced approach to regulation requires that we understand the issues that the industry faces. Only through communication can we truly realize our mutual goal of doing what's best for investors.

When it comes down to it, we may have our differences, but they should not diminish our common goal of doing what's right for investors to maintain their trust and confidence. That is the bedrock of our American financial society.



NASAA President Joseph Borg addressing the 89th NASAA Annual Conference.

**"You have my commitment to the continuation of this new level of respect, coordination, and partnership."**

— NASAA  
President  
Joseph P. Borg

### On The Web

Read the full text of President Borg's remarks at:

[http://www.nasaa.org/nasaa\\_newsroom/speeches/5283.cfm](http://www.nasaa.org/nasaa_newsroom/speeches/5283.cfm)

## NASAA 2006 Annual Conference, San Diego, California

### Seniors, Seminars and Annuity Sales

North Dakota Securities Commissioner **Karen Tyler** led a panel examining how variable annuities and other products are promoted and sold to seniors and urged fellow regulators and industry to protect seniors from unsuitable investment products.



### The Impact of Financial Literacy on Investor Behavior

NASAA Investor Education Section Chair and Tennessee Assistant Commissioner for Securities **Daphne Smith** (left) led a panel discussion seeking answers to the question of whether increased financial literacy changes consumer behavior.



### NASD Chairman And CEO Mary Schapiro Delivers Conference Keynote Address

The following is adapted from the keynote speech by NASD Chairman and CEO Mary L. Schapiro.

NASAA and NASD have done a lot of good work together over the last few years – work that both you and we can be proud of. And what better example than the Waddell & Reed variable annuity switching case? That led to \$7 million in fines paid to NASD and state regulators last year, and \$11 million in restitution to be paid to Waddell & Reed's victims all around the country. I hope and expect our collective action on that case will lead others to think carefully about their clients' best interests when persuading them to switch annuity contracts.



NASD Chairman and CEO Mary Schapiro

Yet, even with all our good work together, there are areas of disagreement between NASD and NASAA and, frankly, that's understandable. Three areas come to mind as requiring continued discussion. BrokerCheck disclosure, expungement and arbitration. . . . I bring up these areas of disagreement simply to assure you that we are not deaf to your arguments; we consider them carefully and we intend to work with you in good faith to find solutions that we all can live with.

What I really want to talk about today is something I find deeply worrisome. And that is the issue of fraud and other financial crime perpetrated against elderly Americans. This is, without a doubt, one of the most critical issues we as regulators are going to face during the next 10 years. And a major focus of my tenure as NASD's Chairman and CEO will be providing seniors and baby boomers with financial education and weapons against fraud, as well as catching and punishing those who prey on them.

[A]s we move forward, I hope that all of us in the regulatory community can put our heads together and find new and innovative ways to protect our large and rapidly growing elderly population from financial harm.

### Enforcement Priorities: 2006 and Beyond



**Mark Connolly**, New Hampshire Regulators Deputy Secretary of State and Director of Securities Regulation, led panel of regulators representing state securities agencies, the SEC., and industry regulators from the NASD and NSYE in a discussion of cooperative enforcement initiatives.



In her final address to the NASAA Membership, **Patricia Struck** introduces incoming President **Joseph Borg**.



California Department of Corporations Commissioner **Preston DuFauchard** welcomes conference attendees to San Diego.

Past NASAA President **Patricia Struck** and NASAA Ombudsman **Don Saxon** received the prestigious Blue Sky Award. See item on Pg. 8



NASAA President-elect and North Dakota Securities Commissioner **Karen Tyler** (left) confers with Conference Co-chair and Colorado Securities Commissioner **Fred Joseph** (center) and NASAA President and Alabama Securities Commission Director **Joseph Borg**.

## NASAA Brief Supports California in Suit Against Mutual Fund Firm

On September 14, 2006 NASAA filed an amicus brief in California v. American Funds Distributors, Inc.

In this enforcement action, the California Attorney General has alleged that American Funds and its affiliates have failed to make adequate disclosure of shelf-space agreements in their mutual fund offering documents in violation of the antifraud provisions of the California securities law.

The defendants have claimed that NSMIA preempts the Attorney General's action.

The trial court ruled in favor of American Funds and the case is now pending in the California Court of Appeal.

In its brief, NASAA argued (1) that the case threatens the states' important role in policing fraud in connection with covered securities; (2) that the savings clause in

NSMIA expressly preserves just this type of state enforcement action; and (3) that California's action and similar state enforcement cases do not conflict with federal law or with the Congressional policies underlying NSMIA.

"This case has enormous significance for NASAA and its members for two reasons," the brief said. "The most immediate objective of this appeal is preserving the right of the California Attorney General to enjoin the Appellees' fraudulent marketing practices and to impose sanctions for the misconduct that has already occurred. The violations at issue are serious and widespread, affecting millions of citizens in California and elsewhere throughout the country, and the Attorney General should be allowed to address them."

In its brief, NASAA also said:

"The real risk is this case is not that state securities regulators will invoke their fraud authority to pursue preempted regulation.

"Rather, it is just the opposite: that the nation's most powerful Wall Street firms will cry "preempted regulation" in an effort to shield genuinely fraudulent practices from the legitimate exercise of state enforcement authority.

"This Court should not allow the preemption doctrine to be used in this fashion, and it should reverse the lower court's ruling so that the Attorney General's claims can proceed on the merits."

### On the Web

[http://www.nasaa.org/issues\\_\\_\\_answers/enforcement\\_\\_\\_legal\\_activity/968.cfm](http://www.nasaa.org/issues___answers/enforcement___legal_activity/968.cfm)

## NASAA Regulatory Focus

On July 20, 2006, NASAA filed a comment letter with the SEC opposing the NASD's latest proposed amendments to its public disclosure program known as "BrokerCheck."

In the letter, NASAA concluded: "NASD claims that the proposed changes to BrokerCheck are intended to

*"NASAA believes the NASD proposal represents a reversal in course."*

strike a balance between concerns over privacy and fairness raised by its membership and the protection of investors.

"Because we believe that this latest series of amendments shifts that balance against the interest of investors, we urge the Commission not to approve the BrokerCheck proposal."

NASAA believes the NASD proposal represents a reversal in course by offering less, not more, disclosure. For example, under the proposed changes, historic complaint information that currently exists within the Central Registration Depository (CRD) will never be released to the public through BrokerCheck.

The information used to populate BrokerCheck comes from the CRD.

NASAA also believes that the proposal will lead to investor confusion and uneven levels of disclosure for financial services professionals.

### On the Web

[http://www.nasaa.org/issues\\_\\_\\_answers/regulatory\\_activity/557.cfm](http://www.nasaa.org/issues___answers/regulatory_activity/557.cfm)

## NASAA Examinations Identify Top BD Compliance Deficiencies

NASAA has announced a series of recommended best practices for broker-dealers to consider in order to improve their compliance practices and procedures. The best practices were developed after a nationwide series of examinations of broker-dealers state examiners in 28 U.S. NASAA jurisdictions revealed a significant number of problem areas.

Illinois Securities Director **Tanya Solov** said 228 examinations of broker dealers were conducted this year between May 1 and June 30. under the direction of the Section's Operations Project Group chaired by **William Reilly**, Bureau Chief of the Florida Bureau of Securities Regulation.

The examinations found 654 deficiencies in five compliance areas. The greatest number of deficiencies (49 percent) identified in the examinations involved books and records.

### On the Web

[http://www.nasaa.org/NASAA\\_Newsroom/Current\\_NASAA\\_Headlines/5281.cfm](http://www.nasaa.org/NASAA_Newsroom/Current_NASAA_Headlines/5281.cfm)

## NASAA Applauds New Law Protecting Military Personnel

NASAA applauded the recent enactment of legislation to protect military personnel from unscrupulous sales of insurance and investment products.

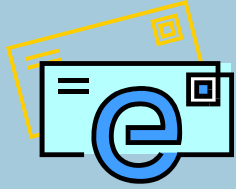
NASAA President **Joseph Borg** said he is pleased that Congress worked with NASAA on several amendments to "The Military Personnel Financial Services Protection Act."

"We are proud that Congress expressly preserved the authority of state securities regulators on military installations," Borg said.

"The men and women of our military and their families deserve that the jurisdiction of the agencies best equipped to take swift enforcement action remains explicitly intact," he said. "This federal/state partnership is crucial to ensure that those who are willing to sacrifice the most in order to ensure our safety are not forced to accept less than the full measure of protection the law allows."

### On the Web

[http://www.nasaa.org/NASAA\\_Newsroom/Current\\_NASAA\\_Headlines/5360.cfm](http://www.nasaa.org/NASAA_Newsroom/Current_NASAA_Headlines/5360.cfm)



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Organized in 1919, the North American Securities Administrators Association (NASAA) is the oldest international organization devoted to investor protection. NASAA is a voluntary association whose membership consists of 67 state, provincial, and territorial securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico.

NASAA members license firms and their agents, investigate violations of state and provincial law, file enforcement actions when appropriate, and educate the public about investment fraud.

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## Struck, Saxon Presented with Highest NASAA Honors; Others Recognized with Outstanding Service Awards

NASAA immediate Past President and Wisconsin Securities Administrator **Patricia D. Struck** and NASAA Ombudsman and Commissioner of the Florida Office of Financial Regulation **Don B. Saxon** have received NASAA's top honor, one cubic foot of Kansas Blue Sky, during ceremonies at the association's annual conference in San Diego.

The Blue Sky Cube presented to Struck read, in part: "You represent all the best in public service and securities regulation. Your service to NASAA throughout your career is reflected in basic principles that guided your successful presidency: respect, collaboration, and hard work. As President, a member of the Board of Directors, Section Chair, and Project Group member, your NASAA career is one of accomplishment, honor and integrity. Along the way, you have earned the admiration and gratitude of consumer advocates, fellow regulators, and securities professionals."

The Blue Sky Cube presented to Saxon read, in part: "You have served investors in Florida and throughout North America with great distinction during a NASAA career that few can match. Your well reasoned, respected, and

dignified voice continues to send a clear message to fellow regulators, state and federal policymakers, and the financial services industry, that the best interests of investors must always be served without fail."

NASAA's "Blue Sky Award" is the highest honor that recognizes career achievement and distinguished contributions to securities regulation. It is named for Kansas' Blue Sky Law, which enacted in 1911, served as a model for other Blue Sky Laws throughout the United States that regulate the offering and sale of securities to protect the public from fraud.

The association also bestowed Outstanding Service Awards, recognizing distinguished accomplishments in state securities regulation to:

- **Robert M. Lam**, Acting Chairman of the Pennsylvania Securities Commission;
- **LeRoy Johnson**, Chief Counsel of Enforcement for the Securities Division of the Arizona Corporation Commission;
- **Tonya Cureton Curry**, former Assistant Georgia Securities Commissioner; and
- **Corrina Wong**, former Hawaii Securities Commissioner.