

Exhibit Number: 7

The following exhibit is a folder that has an assortment of pamphlets, and other documents that cannot be scanned. The exhibit is on file at the Montana Historical Society and can be viewed there.

Montana Historical Society Archives, 225 N. Roberts, Helena, MT 59620-1201; phone (406) 444-4774. For minutes in paper format, please contact the Montana State Law Library, Justice Building, 215 N. Sanders, Helena, MT 59620; (406) 444-3660. Tapes and exhibits are also available at the Historical Society (tapes are retained for five years). Scanning done by: Susie Hamilton

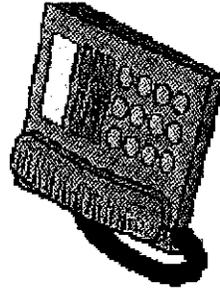
How to Request a CRD Report

To obtain a CRD report, call the **Montana Securities Department at 1-800-332-6148**. As a matter of practice, *stockbrokers and brokerage firms are not advised of your request.*

You also may contact the National Association of Securities Dealers Regulation (NASDR) at 1-800-289-9999 or visit its Web site at www.nasdr.com. However, the NASDR does not report certain types of information that may be available through the Montana Securities Department.

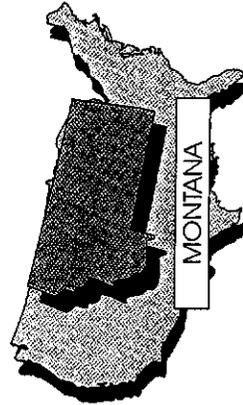
This information is easy to obtain and Montana securities regulators want you to make informed decisions prior to investing your hard-earned dollars. The vast majority of stockbrokers and brokerage firms are honest and reputable. However, as in many professions, there are individuals and firms who are not. A phone call to the Montana Securities Department may save you from sending your money to a bad broker or disreputable brokerage firm.

In addition, it is important to learn if the salesperson and firm you are thinking of investing with are properly licensed by the Montana Securities Department to sell securities in Montana.



How to Check Out Your Stockbroker or Brokerage Firm

Investigate Before You Invest



John Morrison
State Auditor's Office
Securities Department
840 Helena Ave.
Helena, MT 59601

1-800-332-6148
(406) 444-2040
TDD (406) 444-3246

www.sao.state.mt.us

John Morrison
♦ Montana State Auditor ♦
♦ Securities Commissioner ♦

1-800-332-6148

www.sao.state.mt.us

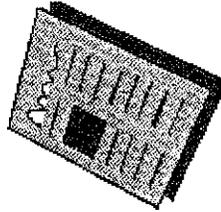
5,000 copies of this public document were published at an estimated cost of 9¢ per copy, for a total cost of \$450.00, which includes \$450.00 for printing and \$0.00 for distribution.

How to Check Out Your Stockbroker or Brokerage Firm

Where do you turn if you want to check on your present or future stockbroker? If you plan to entrust your money with an individual or securities firm, it is worth your while to do a background check. It may save you money and future aggravation.

Central Registration Depository System

The Central Registration Depository system ("CRD") is a source you can turn to for this kind of information. The CRD is a computerized database that holds licensing and registration information on more than 600,000 stockbrokers (also called registered representatives) and more than 6,000 brokerage firms throughout the country. Every state securities regulator can access the CRD database.



In most cases, a stockbroker or any person who sells securities (for example, stocks, bonds, mutual funds, etc.) must be licensed or registered to do so. Therefore, these individuals' records will be maintained on the CRD. You may ask brokers or salespeople for their CRD numbers.

The CRD contains information regarding your stockbroker's past, including:

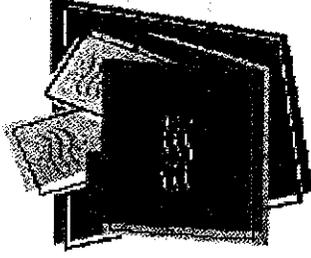
- Employment history for the past 10 years;
- Securities examination scores;
- Licensing or registration status; and
- Disciplinary history.

Information Available

As an investor, you can request a public report of background information on any stockbroker or brokerage firm. This report can be obtained free from the Montana Securities Department in the State Auditor's Office. (It will be helpful for you to have the full name of the broker or his or her CRD number.) In addition to employment and examination history, the CRD report will contain the following types of disciplinary history, if applicable:

- Final disciplinary actions (relating to securities or commodities businesses) that have been taken by federal, state and foreign securities regulators, as well as self-regulatory organizations such as the National Association of Securities Dealers Regulation.
- Civil judgments and arbitration decisions in securities and commodities disputes involving consumers.

- Criminal convictions or indictments against registered or licensed brokerage firms and associated persons.
- Settlements of \$10,000 or more among parties to arbitrations, civil suits, and customer complaints involving securities or commodities transactions.



- Employment terminations resulting from allegations of unethical securities practices including fraud, theft misrepresentation and excessive trading.
- Bankruptcies filed within the last 10 years and outstanding liens and judgments.
- Pending disciplinary actions taken by industry regulators that relate to securities or commodities business.
- Pending arbitrations and civil proceedings involving securities or commodities transactions.
- Pending written complaints alleging sales practice violations and compensatory damages of \$5,000 or more.

Investor Bill of Rights

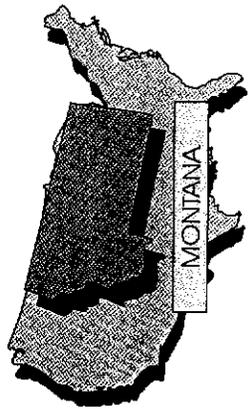
When You Invest, You Have the Right to:

1. Ask for and receive information from a firm about the work history and background of the person handling your account, as well as information about the firm itself.
2. Receive complete information about the risks, obligations and costs of any investment before investing.
3. Receive recommendations consistent with your financial needs and investment objectives.
4. Receive a copy of all completed account forms and agreements.
5. Receive account statements that are accurate and understandable.
6. Understand the terms and conditions of transactions you make.
7. Access your funds in a timely manner and receive information about any restrictions or limitations on access.
8. Discuss account problems with the branch manager or a member of the firm's compliance department and receive prompt attention to and fair consideration of your concerns.
9. Receive complete information about commissions, sales charges, maintenance or service charges, transaction or redemption fees and penalties.
10. Contact the **Montana Securities Department** at **1-800-332-6148** to verify the employment and disciplinary history of a securities salesperson and the salesperson's firm; find out if the investment is permitted to be sold; or file a complaint.

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How to Avoid Fraud in Your Securities Investments

Investigate Before You Invest



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Understand Your Investment

Securities investments always carry some degree of risk so before you invest your hard-earned money, you should define your investment goals and understand what you are buying. Although most securities sales are legitimate, there are some that are too risky, unsuitable or fraudulent and should not be purchased. Education and awareness are the best ways to protect yourself.

Selecting a Broker

It is important to find a brokerage firm and investment representative that understand and can meet your needs. Before making that decision you should do the following:

- Consider your investment objectives and prepare a personal profile.
- Interview several investment professionals, and ask about their investment experience, professional background and education. Ask friends, your lawyer or your accountant for recommendations.
- Call the Montana Securities Department at 1-800-332-6148 for the disciplinary history of the brokerage firm and investment representative.
- Ask if the brokerage firm is a member of the Securities Investor Protection Corp., which provides protection to investors of up to \$500,000 (not to exceed \$100,000 in cash) if a member firm becomes insolvent.

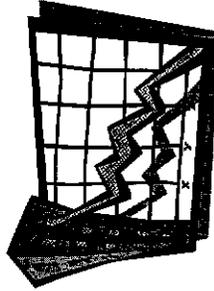


The Investment Decision

Don't invest in a product you don't understand. You should be wary of investments in which you rely exclusively on verbal representations. Ask your investment representative for the prospectus, offering circular, research reports or most recent annual report. If you have questions, get answers before investing.

Seek the opinion of an experienced investor, accountant or attorney regarding a particular investment you are considering.

Don't ignore trade confirmations and monthly statements. They are your official record of the date, amount and price of each security purchased or sold.



No one invests to lose money. However, investments always involve some degree of risk. Several key elements to consider before investing are:

- The greater the potential for profit, the greater the risk.
- Securities investments are not federally insured against a loss in market value.
- Investments in securities issued by companies with little or no operating history or published information may involve more risk.
- The past success of a particular investment is no guarantee of its future performance.

Investor Protection Tips

- Check out the person touting an investment deal. Montana law requires most securities and the people selling them to be registered by the state. **Call the Montana Securities Department in the State Auditor's Office at 1-800-332-6148 before you invest.**
- Beware of high-pressure sales tactics. Say "no" to any person who presses you to make an immediate investment decision.
- Watch out for salespeople who prey on your fears. Fear and greed can cloud your judgment.
- Exercise particular caution if you are an older citizen. The elderly are frequent targets of scam artists.
- Monitor your investments and ask tough questions. Insist on regular written reports and look for signs of excessive or unauthorized trading in your account.
- Do not give out personal information such as your social security, credit card or bank account numbers to someone who contacts you regarding an investment opportunity.
- Checks should be made payable to a properly registered broker-dealer firm. If you are advised otherwise, contact the Montana Securities Department of the State Auditor's Office.
- Report investment fraud or abuse to the Montana Securities Department immediately.



America's Financial Literacy Crisis

It comes to understanding money matters, Americans are woefully ignorant. Consider these startling facts:

- More than one in five U.S. investors are financially illiterate.
- The 78 percent of Americans can name a character on a television sitcom, only 12 percent can name a mutual fund.
- The average personal finance knowledge score of high school seniors dropped to 52 percent in a 2000 survey.
- Findings of widespread financial illiteracy are regarded as disturbing for a society moving toward a "self-serve" approach to personal finance. The reality is that today's high school students will make major financial decisions that their parents never dreamed about.
- Tragically, the vast majority of these young investors are headed toward adulthood without the resources necessary to make the right financial decisions for a safe and secure future.



Helping America's
Young People
Overcome Financial
Illiteracy

for more information, contact:
FL2010 Project Director
Investor Protection Trust
1901 North Fort Myer Drive, Suite 1012-1014
Arlington, VA 22209

a project of:
Investor Protection Trust
NASD Regulation

FINANCIAL
LITERACY
the thousand and one



Overcome Financial Illiteracy

WHAT IS FL2010? >>>

Launched in 1998, the nonprofit Financial Literacy 2010 (FL2010) is a national campaign designed to increase average high school student's savvy about personal finance and investment. The FL2010 campaign features:

CUSTOMIZED TEACHING GUIDES. Through 2010, FL2010 had shipped a total of nearly 40,000 of its customized teaching guides to high school teachers in all 50 states. The two guides include units that can be used on a stand-alone basis. State-specific guides include local and statewide information on investment and protection.

The **"Financial Investing"** is used by teachers in science, and social studies. Roughly 28,000 copies of the guide have been distributed to teachers across the country.

➤ **"Personal Finance for the Economics Classroom"** focuses specifically on the unique needs of high school economics teachers. In 2001, FL2010's newest teaching guide was provided to more than 12,000 targeted teachers across the United States.

TRAINING SESSIONS. Through the end of 2001, a network of more than 100 state securities agency officials and volunteers had conducted about 350 teacher training workshops at state and national education association conferences. In the first three years of FL2010, an estimated 8,500 teachers took part in training programs.

TEACHER WEB SITE. Teachers participating in the FL2010 program can turn to www.fl2010.org, for a wide variety of support information, including training sessions and in-state classroom speakers, to meet their needs. The site also features online versions of the teaching guides, news headlines, resources and a chat area.

"FINANCIAL LITERACY NEWS" is the free teacher newsletter issued three times a year. "News" features updates on FL2010 and tips on incorporating the FL2010 teaching guides into the classroom.

WHO IS BEHIND FL2010?

The non-commercial FL2010 is a unique coalition effort of four major partners:

➤ **Investor Protection Trust (IPT)** was established in 1993 to meet an urgent need for independent investor information. IPT is America's premiere source of independent investment information. It has produced a national public service campaign and two educational videos on investment fraud. IPT is on the Web at www.investorprotection.org

➤ **NASD Regulation**, a subsidiary of the National Association of Securities Dealers, is charged with regulating the securities industry and oversees virtually all U.S. stockbrokers and brokerage firms. NASD Regulation is on the Web at www.nasdr.org

➤ **North American Securities Administrators Association (NASAA)** is the oldest international organization devoted to investor protection. NASAA is an advocate for the 50 state securities agencies responsible for efficient capital formation and grassroots investor protection. For the securities agency in your state, visit www.nasaa.org.

➤ **National Institute for Consumer Education (NICE)** is a professional development center and clearinghouse in consumer, economic, and personal finance education. Since 1973, NICE has promoted personal economic education in schools, workplaces, and communities. NICE is found on the Web at <http://www.emich.edu/public/coe/nice/nice.html>.



HOW STATE SECURITIES REGULATORS SERVE AND PROTECT INVESTORS

States have protected Main Street investors from fraud for nearly 100 years. Securities markets are global but securities are sold locally by professionals who are licensed in every state where they conduct business.

Our nation's unique complementary system of state, federal, and industry regulation ensures fair markets for all investors. Eighty-five million investors rely on regulators to keep our nation's markets well policed and cannot afford any weakening of this successful and complementary regulatory system.

State securities regulators work within your state government to protect investors and help maintain the integrity of the securities industry by:

- **Licensing** stockbrokers, investment adviser firms (those managing less than \$25 million in assets), and securities firms that conduct business in the state.
- **Registering** certain securities offered to the states' investors.
- **Investigating** investor complaints and potential cases of investment fraud.
- **Enforcing** state securities laws by fining, penalizing, providing restitution to investors, prosecuting white-collar criminals, and imposing legally binding conduct remedies designed to correct specific problems.
- **Examining** brokerage and investment adviser firms to ensure compliance with securities laws and maintenance of accurate records of client accounts.
- **Reviewing** certain offerings that are not exempt from state law.
- **Educating** investors about their rights and providing the tools and knowledge they need to make informed financial decisions.
- **Advocating** passage of strong, sensible, and consistent state securities laws and regulations.

PUTTING INVESTORS FIRST

The Role of State Securities Regulators



STATES: *At the Vanguard of Investor Protection*

States are an indispensable early warning system to alert the public, other regulators, and policy makers to problems. State regulators then work with national regulators on market-wide solutions when necessary. State securities regulators investigate and bring enforcement actions - they do not engage in rulemaking for the national markets. That responsibility belongs to the SEC and the SROs. Below are examples where states uncovered a widespread problem and worked with fellow regulators and/or Congress on a national solution.

<p>\$2 billion/yr Losses in Penny Stocks</p>	<p>1989: States determined penny stock offerings by newly formed shell companies to be fraudulent. These "blank check" companies had no business plan except a future merger with an unidentified company.</p>	<p>1990: Congress passed Penny Stock Reform Act, which mandated SEC to adopt special rules governing sale of penny stocks (less than \$5 per share) and public offerings of shares in blank check companies (SEC Rule 419).</p>
<p>\$6 billion/yr Losses in Micro-cap Stocks</p>	<p>1996-97: 33 States participated in a sweep of 15 broker-dealer firms that specialized in aggressively retailing low-priced securities to individual investors. States found massive fraud in firms' manipulation of shares of start-up companies, most of which had no operating history.</p>	<p>1997-98: Congress held hearings on fraud in the micro-cap securities markets (shares selling between \$5-\$10).</p> <p>2002: Congress passed the Sarbanes-Oxley Act, which made certain state actions a basis for federal statutory disqualification from the securities industry.</p>
<p>Risks of Securities Offerings on the Internet</p>	<p>1996-97: States issued uniform interpretative guidance on use of Internet for legitimate securities offerings and dissemination of product information by licensed financial services professionals.</p>	<p>1998: SEC issued interpretative guidance based on the States' model on the use of Internet for securities offerings and dissemination of services and product information by licensed financial services professionals.</p>
<p>Risks of Online Trading</p>	<p>1999: In a report on trading of securities on the Internet, States found that investors did not appreciate certain risks, including buying on margin and submitting market orders.</p>	<p>2001: SEC approved a new NASD rule requiring brokers to provide individual investors with a written disclosure statement on the risks of buying securities on margin.</p>
<p>Risks of Day Trading</p>	<p>1999: In a report on individuals engaged in day trading, States found that day trading firms failed to tell prospective investors that 70% of day traders would lose their investment while the firm earned large trading commissions.</p>	<p>2000: SEC approved new NASD rules making day trading firms give written risk disclosure to individual investors.</p> <p>2001: SEC approved new NASD and NYSE rules governing margins extended to day traders.</p>
<p>Research Analyst Conflict of Interest</p>	<p>2002-3: States investigated and helped focus attention on conflicts of interest between research analyst and major Wall Street firms.</p>	<p>2002-3: The SEC, NASD, NYSE, and States reached a landmark \$1.4 billion global settlement and firms agree to reform practices.</p>

For More Information:
www.nasaa.org

Securities Newsletter

800-332-6148

406-444-2040

Fax 406-444-5558

www.sao.state.mt.us

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Dear Securities Advisors,

On behalf of Montana investors, I want to take this opportunity to thank you for all your hard work. Also, I would like to remind you that the State Auditor's Office is here to assist you in any way we can.

Our Securities Division has a knowledgeable staff who are dedicated to assisting you with a wide range of securities questions or problems.

Sincerely,

State Auditor and
Securities Commissioner

Broker Dealer Examinations Commitment & Excellence

Lexie Pankratz, an independent securities examiner, is conducting routine examinations of the branch offices of broker dealer firms registered in Montana on behalf of the Securities Department.

The routine exams of broker dealer firms expands on our previous exam schedule for investment advisors and is authorized pursuant to section 30-10-210 of the Montana Code. Pursuant to Montana statute, the firms will be charged for the cost of the exams.

Depending on the size of a branch office, an exam may take several days on site, with an exam report generated based on data provided to the examiner. The report will then be provided to both the Department and the firm. Should deficiencies be found, the Department will work with the firm to reach a resolution.

These examinations include the review of the registrations, books and records, operations, and sales practices of both the broker dealer firm and its representatives pursuant to Montana Statute and Administrative Rules, SEC and NASD rules.

Should Lexie, or another member of the Securities staff initiate an exam, the first request for information will likely include the following items:

- ⇒ Supervisory manual, if the branch office is an OSJ.
- ⇒ Compliance file
- ⇒ Incoming/Outgoing Correspondence (including faxes and email)
- ⇒ Random selection of client files

The Securities Department is committed to performing professional and timely exams of Montana's registered broker dealers.

Money School

The State Auditor's Office new investor education program, "The Money School," was developed to educate the public about savings, investing and avoiding securities fraud. There are five programs to help consumers, from students to seniors, manage and protect their money, and make sound financial decisions. The programs include:

- financial literacy curriculum for high school students
- financial literacy for newlywed couples
- retirement planning
- capital formation
- fraud prevention

Investor education materials are available for your use.

Contact
Janet Harper

State Auditor Announces Historic Settlement With US Bancorp Piper Jaffray

Montana State Auditor and Securities Commissioner John Morrison and his securities staff announced a historic settlement in the enforcement case brought against U.S. Bancorp Piper Jaffray and its former Butte stockbroker Thomas J. O'Neill. The settlement included \$1.5 million in restitution for 38 Montana investors, a \$1 million fine paid to the State of Montana, and O'Neill is permanently banned from the securities industry. The settlement agreement also required that Piper Jaffray change its business practice that encourages and rewards high sales volume by employees with disciplinary issues. The fine is believed to be the largest ever paid to a state securities regulator in this type of case.

O'Neill was also personally fined \$10,000 and banned from the securities industry for life and Robert English, former branch manager of Piper Jaffray's Butte office, was fined \$10,000 and is prohibited from serving in a supervisory capacity while employed by Piper Jaffray.

In January 2002, the agency alleged U.S. Bancorp Piper Jaffray and several of its officers and employees violated Montana securities laws by permitting O'Neill to illegally trade in customers' accounts. The State Auditor's Office alleged that the Minneapolis-based investment firm engaged in a pattern of unethical and fraudulent business practices, committed fraud and failed to supervise O'Neill, allowing him to execute 6,094 unauthorized trades in the accounts of at least 38 unsuspecting, and mostly elderly clients. It further alleged that O'Neill charged his victims more than \$620,000 in commission for the unauthorized

trades, and issued unauthorized margin loans to eight victims for which they paid more than \$25,000 in interest to Piper Jaffray.

The State Auditor's Office also alleged that Piper Jaffray encouraged O'Neill's unauthorized trading by promoting him and honoring him for high sales volume, despite disciplinary events involving unethical conduct on prior occasions, customer complaints and red-flag evidence of extensive sales practice violations.

Recent Actions

Kevin Dille, Suspension and Notice to Revoke, securities fraud

Edwin Tracy Henderson, Suspension and Notice to Revoke, securities fraud and theft

Discovery Capital, Notice to revoke, unsound financial condition

Donald & Co., Notice to Deny Application, failure to provide information to Department

John David Fox; Katherine Fox; and MBIA & Associates -Cease and Desist Order, registration violations; operating pyramid scheme

Bill Sullivan, Cease and Desist - unregistered investment advisor; unethical practices; fraud

Gary Chestnut, Cease and Desist - unregistered investment advisor; unethical practices; fraud

Rose Specht and A Dinner Party, Cease and Desist Order - Registration Violations, Operating Pyramid

Recent Settlements

PCI Trade - \$1,000 fine, consent agreement resolving registration violations

UBS AG - \$250,000 fine, Global analyst conflict settlement

Goldman Sachs Global - \$250,000 fine, Global analyst conflict settlement

Chase Manhattan - \$250,000 fine, Global analyst conflict settlement

Lehman Brothers - \$250,000 fine, Global analyst conflict settlement

Bear Stearns & Co. - \$250,000 fine, Global analyst settlement

Citigroup Global Markets - \$1,500,000 fine, Global analyst conflict settlement.

Credit Suisse First Boston - \$750,000 fine, Global analyst conflict settlement.

Morgan Stanley - \$250,000 fine, Global analyst conflict settlement

Scheme- Cease and Desist

Statistics

Active Registrations:

Broker Dealers 1424

Investment Advisers 542

Representatives 49,193

Issuers 8,517

Open Investigations:

Firms 10

Individuals 17

Issuers 14

Multi-level Companies 5

PUTTING INVESTORS FIRST

The Role of State Securities Regulators



The Many Faces of Investors

Today, more than 85 million investors, or roughly half of all U.S. households, rely on the securities markets to plan and prepare for their financial futures. While securities markets are global, securities are sold locally by professionals who are licensed in every state where they conduct business. Each state has a securities regulator to protect its citizens. The principal focus of state securities regulators is preventing fraud and abuse at the retail point of sale. See inside to learn more about the securities regulators in your state and how and when they can help investors.



The Role of State Securities Regulators

State securities regulators were the first to recognize the need for investor protection and have been protecting Main Street investors from fraud for nearly 100 years. State securities regulators serve the investing public in your state and play a unique role in their protection. Many state regulators also help small businesses raise money and comply with securities laws. Some state securities regulators are appointed by their Governors or Secretaries of State, others are career state government employees. Only five come under the jurisdiction of their states' Attorneys General. To learn more about your state securities regulator, visit the North American Securities Administrators Association (NASAA) website (www.nasaa.org).

On the Front Lines of Investor Protection

State securities regulators have a long record of success in protecting investors at the local level. As an investor's front line of defense, state securities regulators provide residents with information about securities firms or individuals selling securities within the state. Many investors understandably feel that their local state securities regulator is the logical place to start with a grievance when they believe a broker or investment adviser has treated them unfairly. State regulators are quick to respond, even to individual complaints that may not signal the type of widespread abuse of interest to regulators at the federal and self-regulatory organization levels.



How State Securities Regulators Serve and Protect Investors

State securities regulators are vigilant in their enforcement role concerning the conduct of licensed broker-dealers and their registered representatives. State regulators investigate complaints and work closely with criminal prosecutors at the federal, state and local levels to punish those who violate securities laws.

A primary and routine objective of state securities regulators is to obtain restitution for residents as part of enforcement actions. For example, in the most recent reporting period, state securities regulators collectively obtained orders for more than \$309 million in restitution. During the same period, roughly \$71 million was ordered in civil and administrative fines and penalties.

States currently have full authority to fashion remedies for a variety of problems depending upon the specific facts of each case. State securities regulators can, for example:

- require firms to conduct special supervision;
- re-educate brokers;
- monitor trading;
- make specific disclosures to investors;
- conduct special audits or reviews; and
- produce reports to state regulators to demonstrate compliance.

These remedial sanctions are an important enforcement tool in addition to restitution and monetary penalties. Where state securities regulators investigate and resolve enforcement cases using these remedies, their judgment regarding appropriate outcomes are legally

An Early Warning System

State securities regulators are often first to identify investment scams and to bring enforcement actions to halt and remedy a wide variety of investment-related violations. States are an indispensable early warning system to alert the public, other regulators and policy makers to problems. State regulators then work with national regulators on market-wide solutions when necessary.

It bears repeating: the state securities regulators investigate and bring enforcement actions — they do not engage in rulemaking for the national markets. That responsibility belongs to the SEC and the SROs. Federal law, as amended by The National Securities Markets Improvement Act of 1996, prohibits the states from passing laws or promulgating rules, regulations and orders in certain areas that are different from federal laws or regulations. The SEC agrees that when it comes to investigation and enforcement, the federal agency can't go it alone. That is why there must be continued cooperation and shared labor among state, federal, and industry regulators.

Investor Education: The Tool to Protect Investors from Fraud

An informed investor is the best defense against fraud. An investor who asks the right questions and checks with his or her state securities regulator to determine if an investment and its salesperson are properly registered is less likely to be a victim of fraud.

Investor education and financial literacy give investors the tools to protect themselves. State regulators offer to the public many publications and video presentations to help investors understand how to evaluate investments and avoid becoming a victim of fraud. State securities regulators also offer and participate in investor education programs to increase financial literacy, such as Financial Literacy 2010, which provides educational programs for secondary schools to help America's teens understand personal finance and investing. State securities regulators also have designed educational programs to teach financial concepts to children to better enable them to evaluate investment opportunities when they become adults.

Regulatory Partnership: Wall Street to Main Street

Our nation's unique complementary system of state, federal, and industry regulation ensures fair markets for all investors. The federal-state-industry regulatory relationship is like a three-legged stool; if one leg is weakened, it can destabilize the entire structure. This system has a proven record of serving investors well for more than 60 years. With 85 million investors relying on our securities markets to meet their financial goals—and on regulators to keep those markets well policed—we can't afford to undermine this successful and complementary regulatory system.

KAREN E. POWELL
DEPUTY SECURITIES COMMISSIONER

1-800-332-6148 • (406) 444-2040 • FAX (406) 444-3497
E-Mail: kpowell@mt.gov



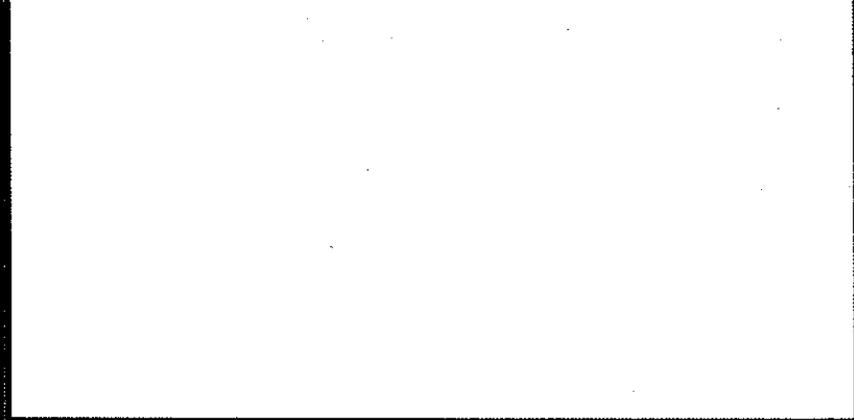
— STATE OF MONTANA —

OFFICE OF THE
STATE AUDITOR

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PUTTING INVESTORS FIRST





End Regulator

Contact information for your securities regulator can be obtained by visiting the North American Securities Administrators Association (NASAA) website (www.nasaa.org). At the homepage, click on "End Regulator" and scroll to your state. You can call NASAA at (202) 737-0900.



NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

10 G Street, N.E., Suite 710, Washington, D.C. 20002

Telephone: (202) 737-0900 / Fax: (202) 783-3571 / Toll Free: (888) 84-NASAA (*fax-it-demand!*)

E-mail: info@nasaa.org / Website: www.nasaa.org



Central Registration Depository

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The Montana Securities Department recommends that investors ask for a broker's CRD number to obtain a public report of background information. The report contains employment history for the past ten years; securities examination scores; licensing or registration status and disciplinary history.

It is also important that your CRD information contains current information (addresses, employment history, office location.)

Contact the Montana Securities Department at 1-800-332-6148 ext. 2990 or contact NASD at 1-800-289-9999 or www.nasdr.com to update CRD information.

Need A Speaker?

As part of the Money School investor education program, the securities division sends representatives throughout the state to make presentations and provide educational materials to students, teachers, retirees and senior citizens, and community groups. The presentations focus on the importance of financial literacy, basics of saving and investing and avoiding securities fraud. Presentations on capital formation are also available. Presentations are tailored to meet the needs of the audience and packets of educational materials are distributed.

Contact **Janet Harper** at 443-3435 or jharper@state.mt.us to schedule an investor education speaker.

Securities Advisory Council

Gary Buchanan

Buchanan Capital LLC, Billings

Daniel L. Chamberlin

Ponderosa Financial Group, Helena

Ken Colbo

Breck & Young Advisors, Missoula

R. Kerry Hatcher

First Interstate Financial Svcs., Bozeman

Laura L. Henton

Salomon Smith Barney, Bozeman

Ted Heuchling

Pacific West Securities, Missoula

Jeff Hoyer

Investment Centers of America, Libby

N. Jay Klawon

Edward Jones, Hamilton

Bert Regar

Treasure State Financial Svcs.

Missoula

Bill Tierney

RBC Dain Rauscher, Billings

The Securities Advisory Council assist the Securities Department in setting department policy and coordinating relationships between the industry and regulators.

MONTANA'S DO NOT CALL LIST

The 2003 Montana Legislature passed House Bill 424, which was signed by the Governor to enact Montana's do-not-call list. Consumers may sign up for the state do not call list on January 1, 2004 and enforcement begins April 1, 2004. Some telemarketing calls, however, are still allowed under the new law.

Exemptions under state law:

- ⇒ Telemarketers that you have authorized to call
- ⇒ Telemarketers with a business contact with you within the last 180 days
- ⇒ Telemarketers that call from their own home
- ⇒ Professionals licensed by the state can call you to set up appointments.

How this affects the securities Industry:

- ⇒ Licensed security brokers (or anyone from your firm) may call existing customers or those who have been customers within the last 180 days to offer and sell you their products.
- ⇒ Only a licensed security broker may call a prospective customer (with no prior existing relationship) to set up appointments to talk to face to face.
- ⇒ Offers and sales over the phone are not permitted and other employees of the firm may not make calls.
- ⇒ Licensed security brokers conducting business and calling from their homes are exempt from the state do-not-call list.

The state list covers all telemarketing calls within, to, or from Montana. The federal list only covers calls that cross state lines.