

Protection and Education of Investors**FY2006 Request: \$300,000****Reference No: 40505****AP/AL:** Appropriation**Project Type:** Planning**Category:** Education**Location:** Statewide**Contact:** Jo Ellen Hanrahan**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-2506**Estimated Project Dates:** 07/01/2005 - 06/30/2010**Brief Summary and Statement of Need:**

Protection and education of consumers/investors in accordance with a national securities settlement with 10 of the nation's top investment firms. This project contributes to the Department's mission of promoting a healthy economy and strong communities by educating the public in sound financial planning.

Funding:	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>Total</u>
Stat Desig	\$300,000						\$300,000
Total:	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:**Project Description/Justification:**

On April 28, 2003 the North American Securities Administration Association (NASAA) announced the settlement of enforcement actions involving conflicts of interest between the research and investment banking operations of the nation's 10 top investment firms. Seven of the firms agreed to pay \$80 million and is to be used for consumer/investor education purposes. And, \$27.5 million of it is to be divided among the individual states which are to use the monies to protect and educate consumers/investors within their state so that the individuals may make sound financial planning decisions.

The \$27.5 million established the Investor Education Fund and will be invested and managed by the Investor Protection Trust. Alaska's portion of the \$27.5 million is \$300,000.

Though the \$300,000 has been designated as the State of Alaska's - use of the monies require the submission of a detailed application by the Department to the Investor Protection Trust. If approved, the Department may then incur the expenses and be reimbursed by the Investor Protection Trust. The Department has already submitted an application for its initial project. This project would consist of producing informational materials that will be distributed to the public and a series of presentations also available to the public. Approximate cost of the initial project will be \$80,000.

The initial project will run through fiscal year 2006 with additional projects running concurrently and thereafter until the \$300,000 has been used in its entirety.