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NEWS RELEASE

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ONLINE INVESTORS GET 10 TIPS FROM IDAHO SECURITIES REGULATORS

BOISE, IDAHO (June 2, 2000) – Securities regulators in Idaho have unveiled a list of tips for online investors.

Some 200 securities firms offer online brokerage services and there are an estimated 10 million-plus online accounts. Online firms are spending hundreds of millions of dollars on advertising to attract new customers, many new to investing and the stock market.

Against this backdrop it is critical that online investors understand the playing field, say Idaho securities regulators.

Regulators in Idaho and the North American Securities Administrators Association (NASAA), which represents state and provincial securities regulators in the U.S., Canada and Mexico, developed “10 Tips for Online Investors” to educate investors and help them to think carefully about making an investment online.

“Online trading represents a radical change in the relationship between brokerages and their customers,” said Idaho Finance Director Gavin Gee. “These 10 tips lay out some of the things investors should expect in this new relationship.”

Online investing was the subject of recent studies by the New York State Attorney General and the U. S. Securities and Exchange Commission. The New York report (http://www.oag.state.ny.us/investors/1999_online_brokers/brokers/html), for example, highlighted a number of complaints lodged by online investors, from delayed execution of orders to slow response times, inadequate customer support and possibly misleading advertising claims.

“As investing technology changes, educating investors is the key to empowering them to understand their choices and avoid mistakes,” says Gee.

The “10 Tips for Online Investors” reads:

When You Invest Online, Be Sure To:

1. Receive full disclosure, prior to opening your account, about the alternatives for buying and selling securities and how to obtain account information if you cannot access the firm's Web site.
2. Understand that most likely you are not linked directly to the market, and that the click of your mouse does not instantly execute the trade.
3. Receive information from the firm to substantiate any advertised claims concerning the ease and speed of online trading.
4. Receive information from the firm about significant Web site outages, delays and other interruptions to securities trading and account access.
5. Obtain information before trading about entering and canceling orders (market, limit and stop loss), and the details and risks of margin accounts (borrowing to buy stocks).
6. Determine whether you are receiving delayed or real-time stock quotes and when your account information was last updated.
7. Review the firm's privacy and Web site security policies and whether your name may be used for mailing lists or other promotional activities by the firm or any other party.
8. Receive clear information about sales commissions and fees and conditions that apply to any advertised discount on commissions.
9. Know how to, and if necessary, contact a customer service representative with your concerns and request prompt attention and fair consideration.
10. Contact the Idaho Securities Bureau to (1) verify the registration/licensing status and disciplinary history of the online brokerage firm, or (2) file a complaint, if appropriate.

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