

Investor Education and Assistance

Our investor education and assistance staff serves investors who complain to the SEC about investment fraud or the mishandling of their investments by securities professionals. The staff responds to a broad range of investor inquiries, produces and distributes educational materials, and organizes town meetings and seminars.

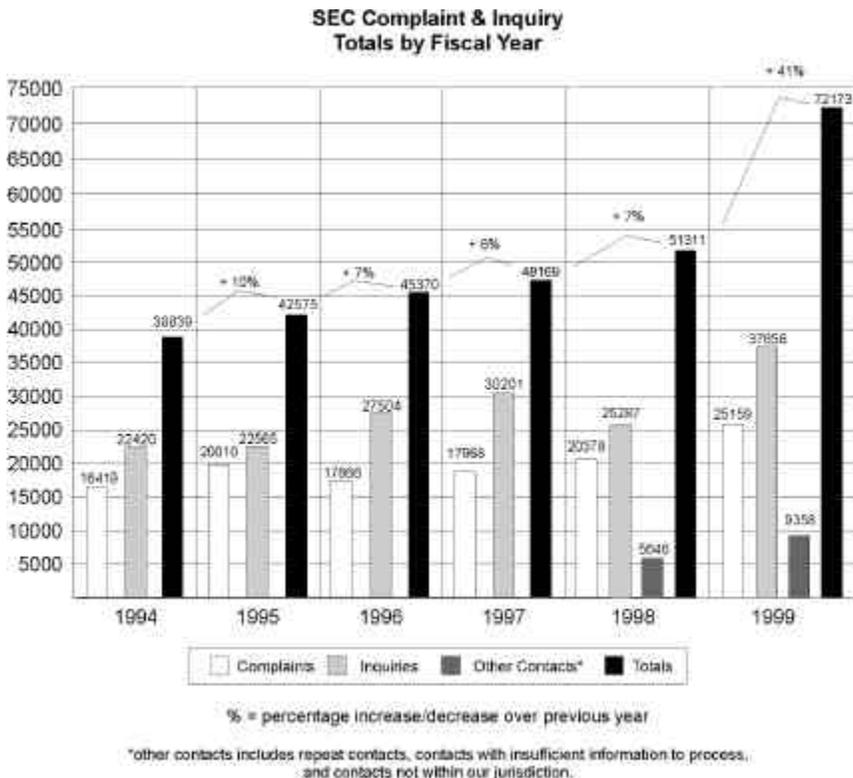
What We Did

- Received 72,173 complaints and inquiries, up 41 percent from last year.
 - Referred over 2,600 complaints for follow-up inspection.
 - Participated in four investors' town meetings.
 - Organized 16 educational seminars.
 - Released two new interactive tools and five new publications for investors.
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Investor Complaints and Inquiries

Dramatic Increase in Investor Contacts

The SEC's investor assistance specialists received a record 72,173 complaints and inquiries, up 41 percent from 1998. The volume of investor contacts agency-wide has increased more than 85 percent since 1994—from 38,839 to 72,173. About 20 percent of the investor complaints and inquiries were received by the SEC through e-mail. Approximately 55 percent of the SEC's complaint and inquiries were handled by phone. We installed a new automated phone system to accommodate the increase in volume and provide better service to investors.



Complaint Trends

Our investor assistance specialists received 25,159 investor complaints. Of these, 56 percent involved operational problems (such as account transfers and the processing of orders), 33 percent involved sales practice abuses, and 11 percent involved other securities-related concerns. Operational complaints increased during 1999 primarily because of an increase in online trading activity. The ten most common complaints we received during the year follow.

1. Delays in transfer of accounts or transfer problems
2. Misrepresentation
3. Failure to process or delays in executing an investor's order
4. Failure to follow an investor's instructions
5. Unauthorized transactions
6. Concerns about the way a corporation conducts its business
7. Problems concerning 401(k) plans or pension plans
8. Use of false or misleading advertising materials
9. Difficulty in accessing an account
10. Errors in processing an investor's order

Referrals

When a complaint contains allegations of serious misconduct or suggests a pattern of widespread abuses, our investor assistance staff refers the complaint to the Division of Enforcement, the Office of Compliance Inspections and Examinations, other offices within the SEC, or other regulatory agencies. In 1999, we referred over 2,600

complaints to SEC divisions and offices or to other regulatory agencies. In addition, we referred approximately 700 inquiries of regulatory significance for further review by SEC staff or other regulatory agencies.

Educating Investors

New Investor Education Page on Website

In conjunction with the Facts on Saving and Investing Campaign, we launched a new investor education page on the SEC's website at www.sec.gov/invkhome.htm. The new page features interactive quizzes and calculators, information about online investing, and a special section for students and teachers.

Investors can also use the "Search Key Topics" databank to find quick answers to common questions about investing. During 1999, more than 415,000 users from around the world visited our investor education page.

New Publications and Interactive Tools

We published the following free publications and interactive tools that are available on our website.

Title of Publication/Tool	What it Covers
<p><i>Mutual Fund Cost Calculator</i></p> <p>(Note: The calculator received more than 30,000 hits during the first week of its release.)</p>	<p>An interactive tool that helps investors estimate and compare the costs of different mutual funds</p>
<p><i>Test Your Money Smarts Quiz</i></p>	<p>An interactive quiz that tests ten basic financial literacy concepts</p>
<p><i>Day Trading: Your Dollars at Risk</i></p>	<p>The risks and how difficult it is to profit from day trading</p>
<p><i>Tips for Online Investing: What You Need to Know About Trading in Fast-Moving Markets</i></p>	<p>How to limit your losses in fast-moving markets</p>
<p><i>International Investing</i></p>	<p>The basics of investing in foreign companies and the ways investing abroad can differ from investing in U.S. companies</p>
<p><i>Internet Fraud: How to Avoid Online Investment Scams</i></p>	<p>How to spot different types of Internet fraud, what the SEC is doing to fight online investment scams, and how to use the Internet to invest wisely</p>
<p><i>Microcap Stock: A Guide for Investors</i></p>	<p>What is a microcap stock, how to find information about companies, what “red flags” to consider, and where to turn for help</p>

We also worked with the Securities Industry Association, the National Association of Securities Dealers, Inc., and the Investment Company Institute to develop and distribute a *Year 2000 Investor Kit*. The kit included information about the Year 2000 date change, provided answers to frequently asked questions, and featured a checklist to help investors prepare for the Year 2000.

Investors' Town Meetings and Seminars

We participated in investors' town meetings in Los Angeles, California; Miami, Florida; Seattle, Washington; and Portland, Oregon. In coordination with the securities industry and consumer groups, we held 16 educational seminars as part of the town meeting program.

Facts on Saving and Investing Campaign

The Facts on Saving and Investing Campaign is an ongoing education effort to motivate individuals throughout the Western Hemisphere to get the facts about saving and investing. During the week of April 25 to May 1, 1999, securities regulators in 15 countries throughout the Americas participated in the campaign. In the United States, campaign partners—including federal agencies, 46 states, consumer organizations, and financial industry associations—held educational events and distributed information. Key campaign events during the year included:

- **School Visits.** Securities regulators in 24 states, SEC officials, and other campaign partners visited schools across the country to speak with students about saving, investing, and avoiding financial fraud.

- **Workplace Seminars.** Securities regulators and other campaign partners visited workplaces to speak with employees about such topics as credit management, planning a personal budget, personal financial management, and saving and investing wisely.

Toll-free Information Service

Our toll-free information service (800-SEC-0330) provides investor protection information and allows investors to order educational materials. During the year, we received approximately 63,000 calls to this service.