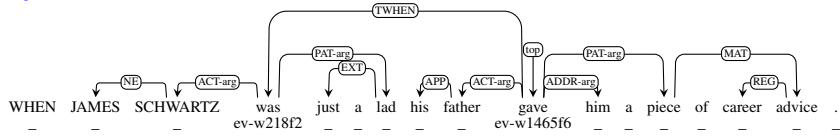
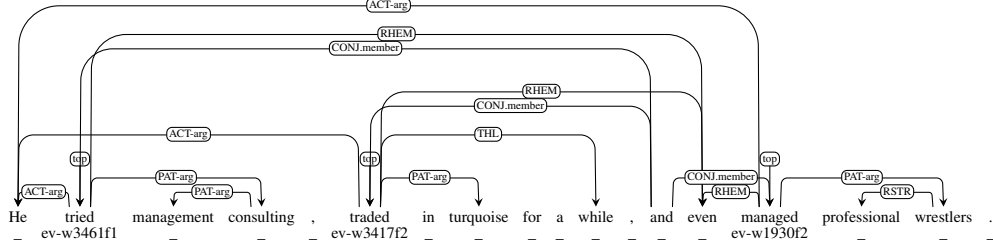


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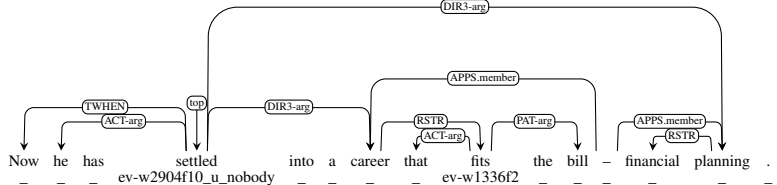
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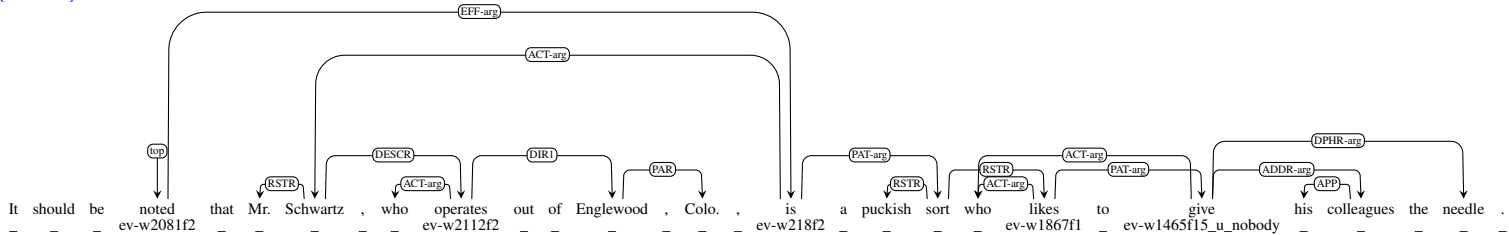
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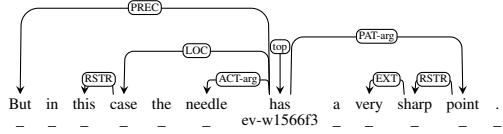
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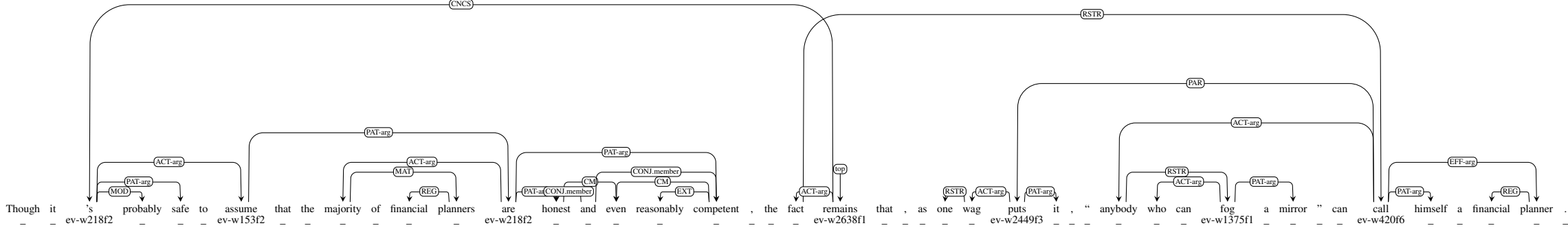
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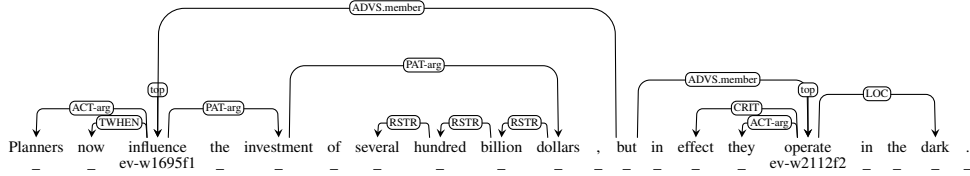
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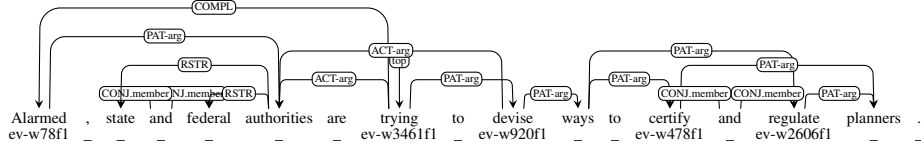
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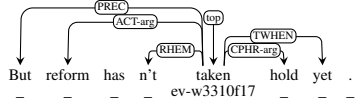
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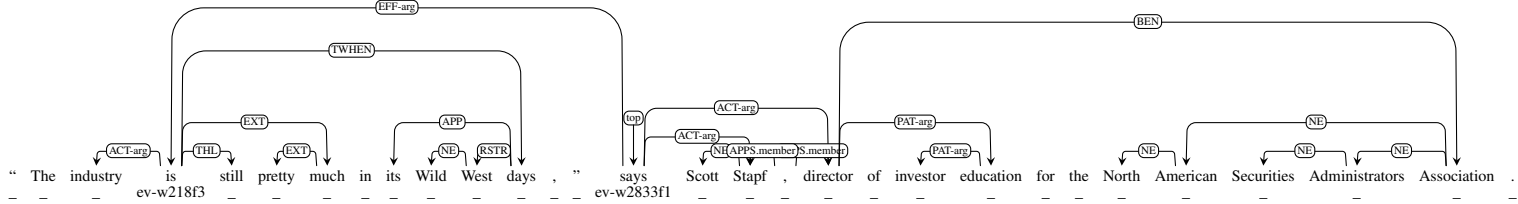
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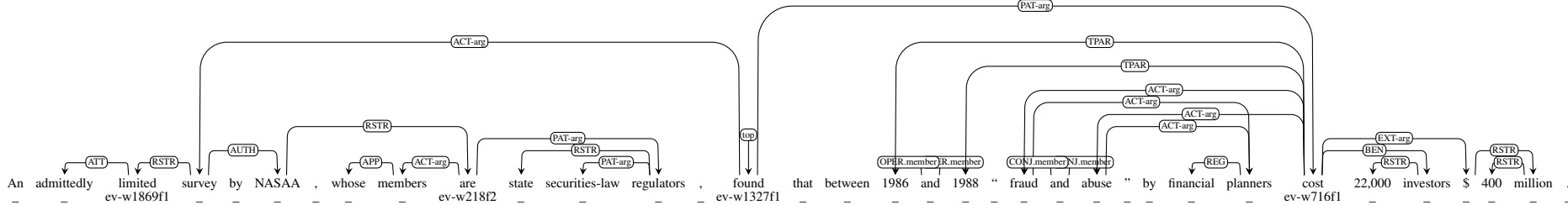
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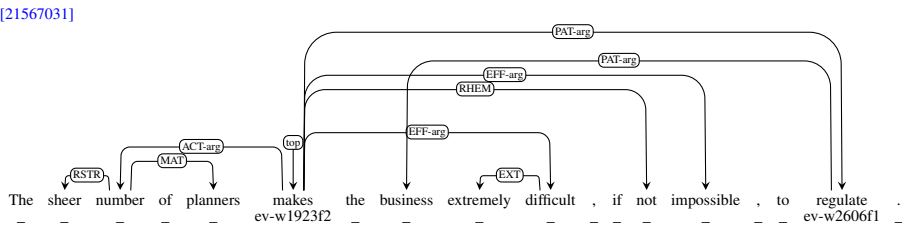
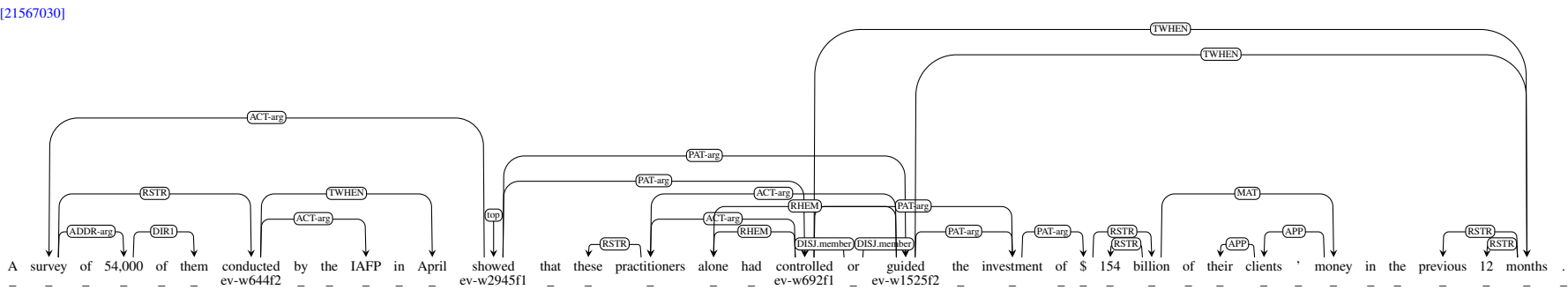
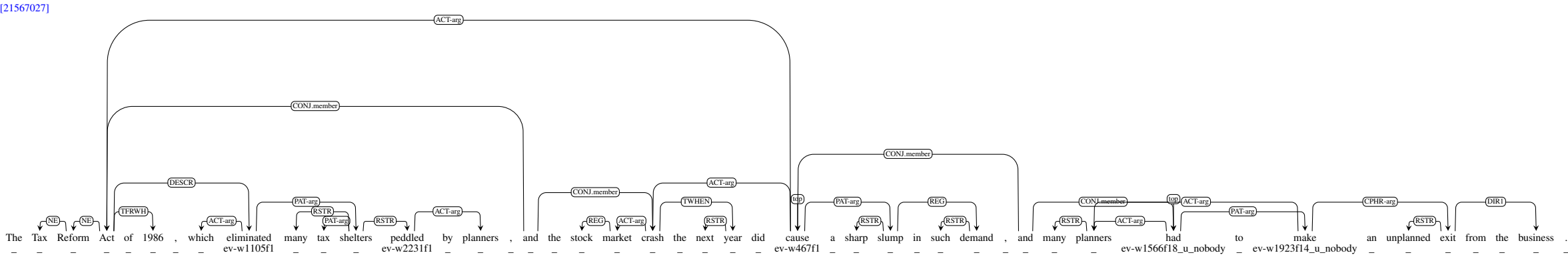
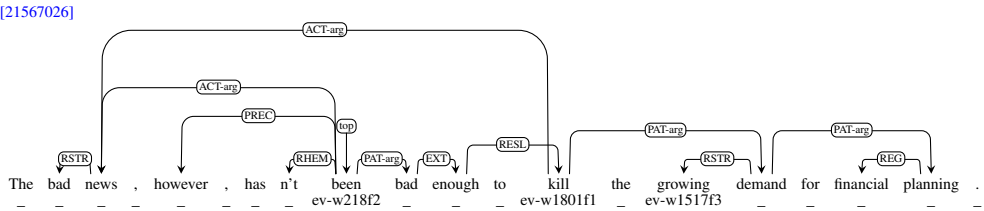
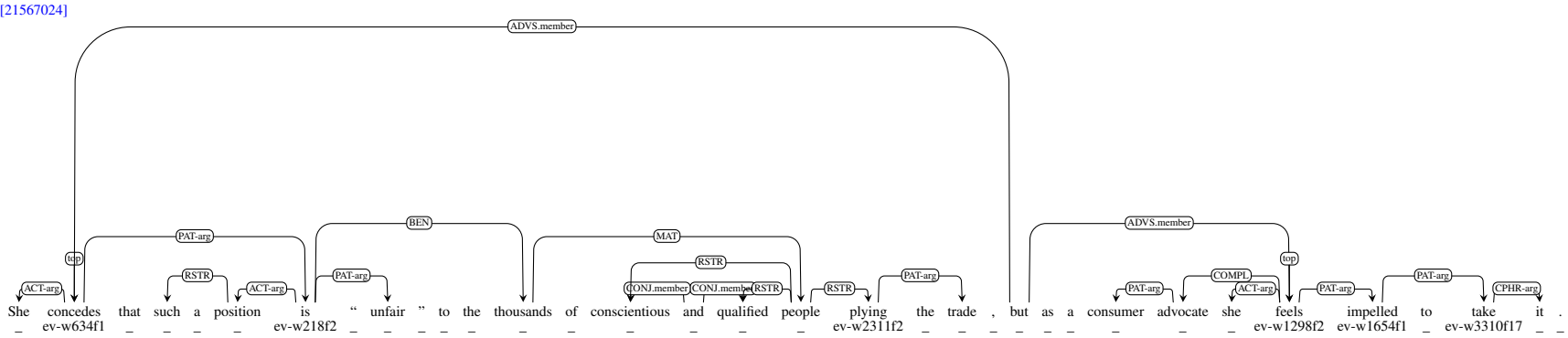
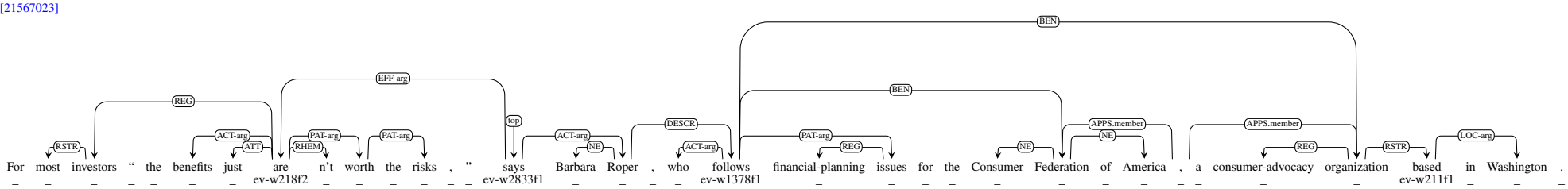
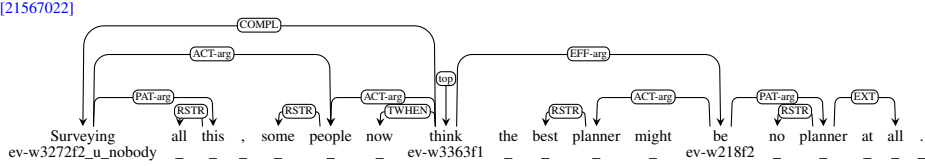
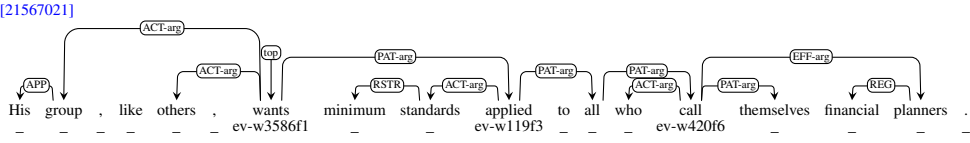
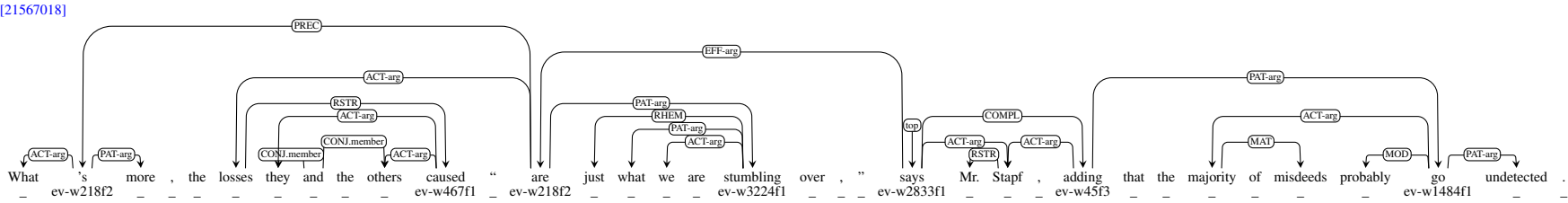
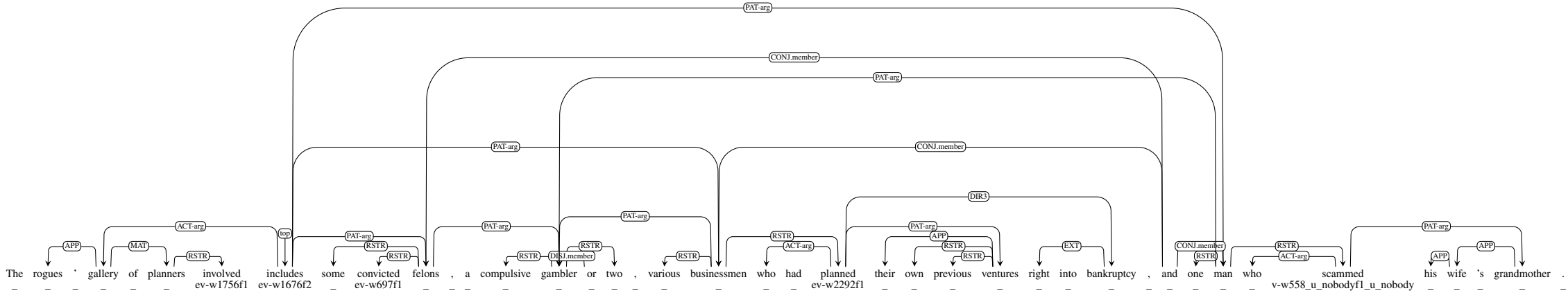
[21567015]



[21567016]



[21567017]



[1567035]



The states have their own ideas about regulation and certification .  
ev-w1566f3

[21567047]

NASAA , the organization of state securities regulators , is pushing for a model regulatory statute already adopted in eight states .  
ev-w2448f8

[21567048]

It requires financial planners to register with states , pass competency tests and reveal to customers any conflicts of interest .  
ev-w2682f1

[21567049]

The most common conflict involves compensation .  
ev-w1756f1

[21567050]

NASAA estimates that nearly 90 % of planners receive some or all of their income from sales commissions on securities , insurance and other financial products they recommend .  
ev-w1199f1

[21567051]

The issue : Is the planner putting his clients into the best investments , or the ones that garner the biggest commissions ?  
ev-w2449f1

[21567053]

In its notice of action , the attorney general said the company had promised to put clients into " balanced " investment portfolios ; instead , the attorney general alleged , the company consistently shovled unwary customers into high-risk investments in paintings , coins and Florida condos .  
ev-w2833f1

[21567054]

Those investments paid big commissions to First Meridian , payments investors were never told about , the attorney general alleged .  
ev-w2223f3

[21567055]

Investors were further assured that only those with a minimum net worth would be accepted .  
ev-w154f1

[21567056]

In practice , the attorney general alleged in an affidavit , if an investor access to cash " the chances of being turned down by First Meridian were about as probable as being rejected by the Book-of-the-Month Club . "

[21567058]

First Meridian and its officials are currently under investigation for possible criminal wrongdoing , according to a spokeswoman for the attorney general .  
ev-w218f20\_u\_nobody

[21567059]

Harry Manion , Mr. Sala 's attorney , says his client denies any wrongdoing and adds that the attorney general 's contentions about First Meridian 's business practices are incorrect .

[21567060]

As for Mr. Sala 's qualifications , " the snooty attorneys for the state of New York decided Mr. Sala was n't qualified because he did n't have a Harvard degree , " says Mr. Manion .

[21567061]

Civil suits against planners by clients seeking recovery of funds are increasingly common .

[21567062]

Two such actions , both filed earlier this year in Georgia state court in Atlanta , could be particularly embarrassing to the industry : both name J. Chandler Peterson , an Atlanta financial planner who is a founder and past chairman of the IAFP , as defendant .

[21567063]

One suit , filed by more than three dozen investors , charges that Mr. Peterson misused much of the \$ 9.7 million put into a limited partnership that he operated and promoted , spending some of it to pay his own legal bills and to invest in other companies in which he had an interest .

[21567064]

Those companies , in turn , paid Mr. Peterson commissions and fees , the suit alleges .

[21567065]

The other suit was filed by two men in a dispute over \$ 100,000 investments each says he made with Mr. Peterson as part of an effort to purchase the Bank of Scottsdale in Scottsdale , Ariz .

[21567066]

One plaintiff , a doctor , testified in an affidavit that he also gave Mr. Peterson \$ 50,000 to join a sort of investment club which essentially gave the physician " the privilege of making additional investments " with Mr. Peterson .

[21567070]

" He said he wanted to show the color of his money , " recalls Mr. Diebel .

[21567071]

Bank officials , however , showed him the door , and the sale never came off .

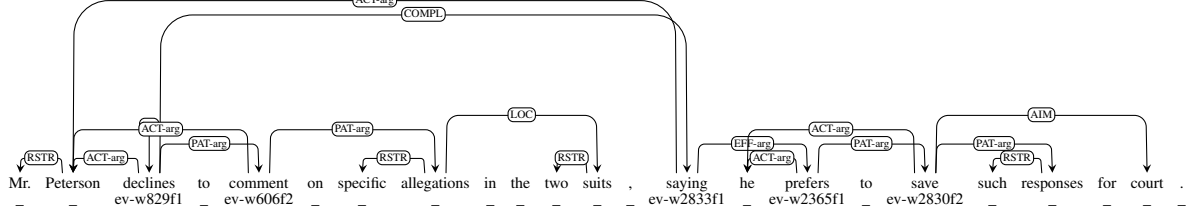
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According to the suit , Mr. Peterson has yet to return the plaintiffs ' investment .

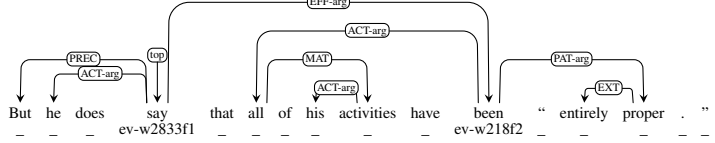
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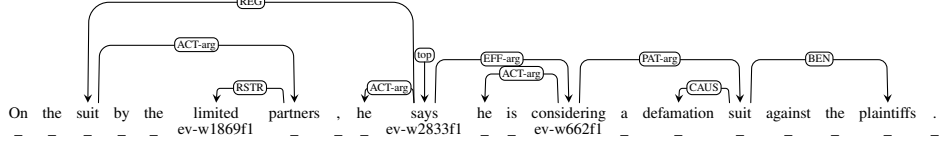
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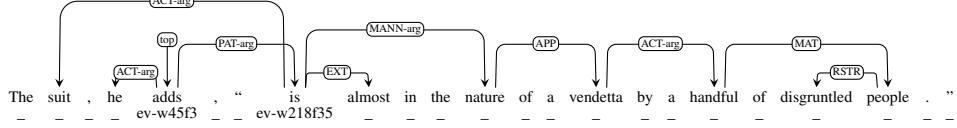
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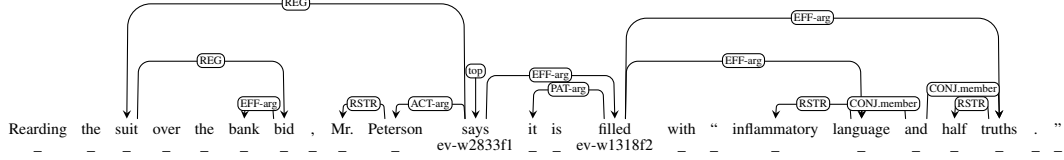
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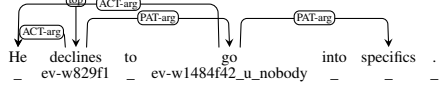
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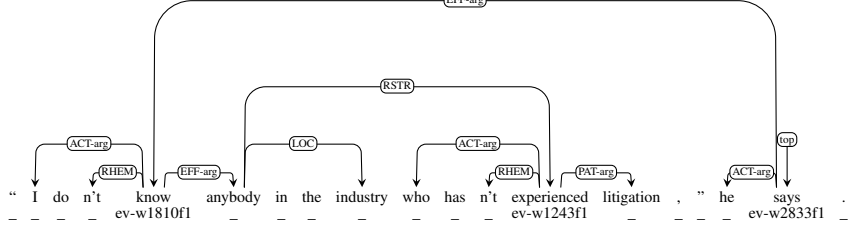
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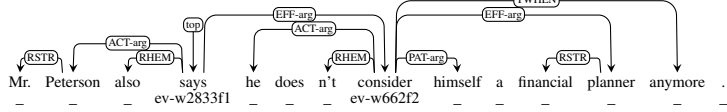
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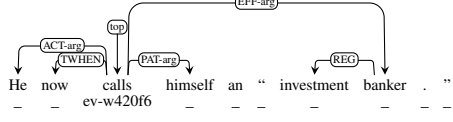
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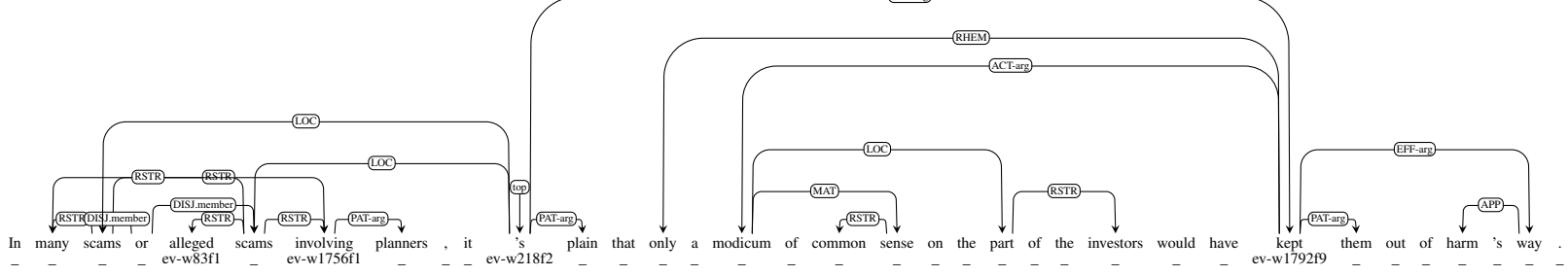
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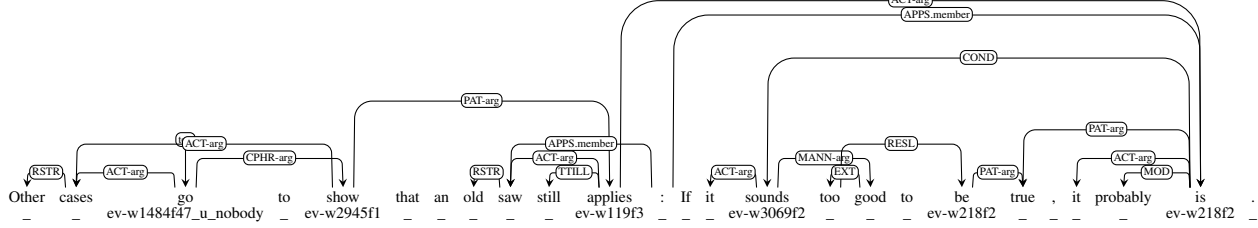
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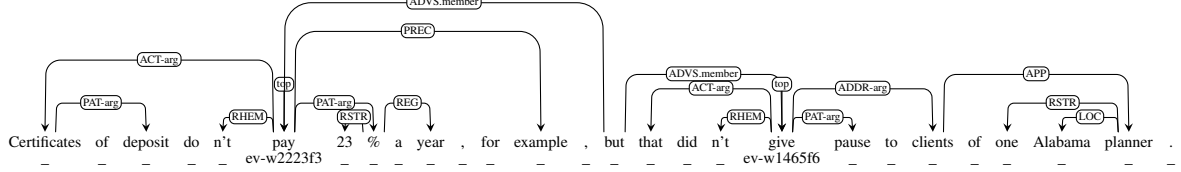
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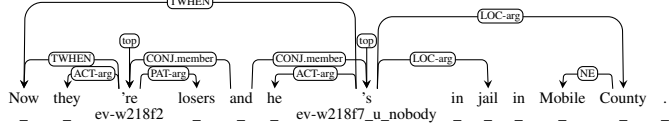
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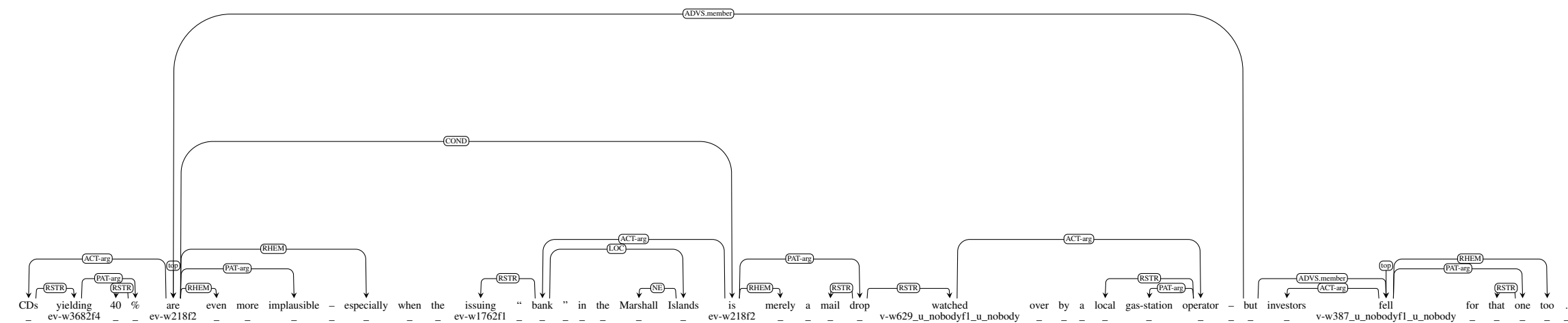
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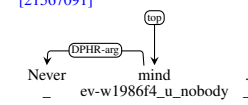
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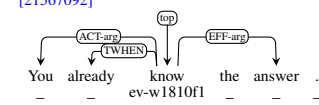
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[21567091]



[21567092]



[21567093]

