

FOR IMMEDIATE RELEASE

**CONTACT: Jeff Spill
Deputy Director
(603) 271-1463**

NH SECURITIES BUREAU SETTLES ACTION WITH NATIONAL BROKER-DEALER OVER ALTERNATIVE INVESTMENTS AND TELEMARKETING

CONCORD, NH (August 27, 2014) - The New Hampshire Bureau of Securities Regulation has finalized a Consent Order with Investors Capital Corporation (“ICC”), a national broker-dealer. During its investigation of ICC, the Bureau focused on two different areas of concern, the sale of unsuitable alternative investments and the violative telemarketing practices of ICC agents.

During its investigation, the Bureau found that several ICC agents located at ICC’s Greenwich, Connecticut branch office initiated telemarketing calls to New Hampshire residents in violation of applicable telemarketing rules. Further, the Bureau discovered that one of the agents implicated had been involved in an enforcement action by the Bureau years earlier which dealt with similar violations of applicable telemarketing rules. By the terms of the Consent Order announced today, this agent has agreed to not seek licensure in the state for a period of three years, to never telemarket in the State of New Hampshire in the future, and to pay an administrative fine of \$50,000.

“The Bureau takes violations of telemarketing rules and other violative solicitation practices very seriously whether they occur at the firm level or because of the actions of rogue agent” said Bureau Staff Attorney Adrian LaRochelle. LaRochelle added that “the practices employed by ICC agents in this case were not only prohibited by applicable telemarketing rules, but were activities these agents knew to be violative based on prior action by the Bureau.”

The Bureau also found during its investigation that another ICC agent, located in Concord, NH, made several unsuitable sales of non-traded real estate investment trusts (“REITS”), and that ICC failed to reasonably supervise this activity. REITS are

-MORE-

considered illiquid and high risk alternative investments that should only be sold in appropriate amounts based on an investor's liquid net worth and ability to take on risk. In this case, the Bureau found that the amounts sold were significantly beyond acceptable liquid net worth limits. Under the Consent, ICC is obligated to rescind these sales.

According to Deputy Director, Jeffrey Spill, "recently, the Bureau has focused in on the sale of alternative investments as a percentage of liquid net worth. Although alternative investments may promise the yield of a higher return, investors need to be careful not to overlook suitability for the promise of higher yield".

Under the terms of the Consent Order, ICC is obligated to pay the Bureau's costs of investigation and an administrative fine in the amount of \$125,000.