

**For Immediate Release**  
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FFI CONTACT: CHRIS RIGGALL  
404.656.5792

**Secretary of State Cathy Cox Announces Conclusion of the Largest  
Securities Settlement in State History**

AUGUSTA ...Secretary of State Cathy Cox announced today the conclusion of the A.G. Edwards Augusta-branch case has resulted in the largest securities settlement in Georgia history. As of today, 119 cases have been settled resulting in more than \$27 million dollars in restitution for investors. Three other cases were settled prior to this order and 1 case went to arbitration for a total of 123 investor affected. Secretary Cox was joined at the announcement by investors affected by the settlement as well as attorneys who represent them.

Many of the investors were Procter & Gamble plant employees and retirees with no previous investment experience outside of the company stock they accumulated over decades of employment. After attending seminars organized by A.G. Edwards employees William F. Gibbs, Sr. and Susan H. Saccone, who claimed to prospective customers that substantial financial returns could be earned using a "Dogs of The Dow" investment program, or certain variations of that strategy, many of the investors were persuaded to retire and transfer their entire retirement plan to A.G. Edwards. Mr. Gibbs and Ms. Saccone later deviated from this stock-picking investment strategy and began investing in highly speculative technology stocks, including one company that went bankrupt --- resulting in huge or nearly complete losses for the investors. Many investors lost hundreds of thousands of dollars; some losses approached or exceeded one million dollars.

"I am extremely pleased that, working with attorneys for the investors, we have reached a settlement that restores the security of their hard-earned retirement, without their having to undertake arbitration with an uncertain outcome that could take years to complete," said Secretary Cox. "We are pleased that A.G. Edwards has agreed to resolve these matters and has committed to a program of

compliance oversight and review going forward,” she added.

In addition to the \$27 million dollars in restitution to 119 investors, A.G. Edwards also agreed to pay a \$500,000 civil penalty, the maximum fine possible under Georgia law, as well as the state’s investigative costs. The firm also agreed to appoint an independent consultant to monitor the firm’s supervisory and sales practices and procedures in their Georgia offices for a period of at least six months.

As Georgia’s Commissioner of Securities, Ms. Cox is responsible for regulating securities firms, salespersons and products at the state level.