

**Written Testimony of Sandra Harlacher  
before the  
United States Senate  
Permanent Subcommittee on Investigations  
February 24, 2000**

My name is Sandra. I reside in San Diego, California and am a former client of All-Tech Investment Group. Prior to trading at All-Tech, I had minimal investment experience and I had never day-traded or short term traded securities.

In early 1997, I saw a couple of different All-Tech advertisements on television. The ads made day trading look easy and simple. The ads stated that All-Tech could level the playing field with the professionals and show me everything I needed to know to make money as a securities day-trader. The ads portrayed day-trading as a new career which could give me the opportunity to earn as much money as I wanted and to become financially independent for life. The impression given was that day-trading was simple and easy and anyone could do it.

After seeing the television ads, I visited All-Tech's office in San Diego, California and then attended a seminar presented by Harvey Houtkin, the CEO of All-Tech, at a hotel in La Jolla, California. During the seminar, Mr. Houtkin extolled the virtues of the All-Tech system, and stressed that All-Tech's training course and All-Tech's methods had created a level playing field which enabled the average individual to trade with professional market makers on equal terms and enabled the average individual to do well day-trading in the stock market. Mr. Houtkin promised that All-Tech would teach you everything you needed to know to be successful in the stock market. Mr. Houtkin and All-Tech implied that if you had the slightest bit of intelligence, you could make money day-trading and this gave me the strong impression that this was low risk or no risk at all.

I paid \$3,000 and took All-Tech's training course. The course was taught in All-Tech's San Diego office on a Saturday and a Sunday. The All-Tech course did not teach me how to be successful in the stock market. Rather, All-Tech taught me how to use the software and trained me to enter orders as frequently as possible to generate commissions for All-Tech. No one at All-Tech ever discussed risk, or my tolerance for risk, my background, goals or objectives, past experiences, my financial position or anything else. At All-Tech, none of this information seemed to matter. Furthermore, although some written documents contained disclosures, All-Tech led me to believe that anyone with ordinary intelligence simply could not fail at this.

I lost a tremendous amount of money trading at All-Tech and left All-Tech after only a few months. I realized that I did not know what I needed to know, and had not been taught by All-Tech what I needed to know to be successful day-trading stocks. Additionally, the monies I lost were a sizable portion of what I had been able to accumulate over my lifetime and it will be extremely difficult at this point in my life to try to earn those monies back.

After I left All-Tech, I decided to pursue a proper education and took courses on technical analysis and read numerous books about the stock market in general and analyzing and trading in the stock market in particular. I also studied for, took and easily passed the Series 6, 7 and 63.

My education after leaving All-Tech made me realize how little All-Tech had taught me. I was trading at All-Tech but did not know enough to realize that I really did not know what I was doing. All-Tech had basically trained me to enter orders, but had not taught me why. The bottom line at All-Tech was that they wanted you to trade and trade often. All-Tech had set me and others up for failure because it taught virtually nothing about how the market works, the strategies of the market makers, order flow or the price action of stocks. Perhaps even more importantly, All-Tech taught me nothing about money management or risk management. Further, the staff at All-Tech constantly reiterated that anyone could be successful day-trading. The risks attendant to day-trading were either never discussed or extremely downplayed.

During the few months I was at All-Tech, I also found that the environment was more conducive to failure than to success. Mr. Parish was constantly harassing me and others, often making suggestions which stocks to buy and sell, including when to buy and sell. When I was hesitant to trade, he would egg me on,

telling me that I would never get experience or learn to trade or make up my losses unless I traded often. After I had been at All-Tech for awhile, I realized that most people were losing and not making money. When I suggested to Mr. Parish that he was going to lose his clients if most of them continued losing money, he told me that he was not concerned because "there was always another body around the corner." I left soon after that comment.