

FOR IMMEDIATE RELEASE

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

**OPPENHEIMER TO PAY \$155,000 FOR ILLEGAL SALE OF
PENNY STOCKS AT PORTSMOUTH OFFICE
CLIENTS TO BE OFFERED REFUNDS FOR PURCHASES**

CONCORD, NH (February 1, 2012) - The New Hampshire Bureau of Securities Regulation announced today that it has issued a Consent Order in a case against the securities firm Oppenheimer & Co. for the illegal sale of penny stocks and for failure to supervise its employees. As a result of the order, Oppenheimer will pay \$155,000 in fines and expenses. In addition, Oppenheimer must offer a refund of the purchase price plus interest.

According to the Order, a Bureau examination of the Portsmouth Oppenheimer branch conducted by Senior Auditor William Masuck revealed that several brokers, including the branch supervisor, had purchased the same penny stock as several clients. Penny stocks are low-priced, thinly traded stocks that are particularly susceptible to price manipulation. The Bureau discovered that the penny stock in question, Miller Petroleum, Inc., was not registered or exempt from registration under New Hampshire law. Upon further review, the Bureau found that several other unregistered penny stocks were also being purchased by Oppenheimer agents and their clients.

The Bureau's investigation revealed that two clients who purchased penny stocks had told Oppenheimer that they were conservative investors. Generally, penny stocks are considered a speculative investment not suitable for conservative investors. While the Bureau was negotiating with Oppenheimer, the brokerage firm made an offer of rescission for the Miller Petroleum stock it had sold.

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In addition to the monetary penalties and offers to refund the sales of the penny stocks, Oppenheimer will also be required to retain a compliance analyst to review activities at the Portsmouth office and report to the Bureau the findings. Additionally, Oppenheimer will be required to make compliance changes to ensure proper conduct. The Order also requires the office supervisor to step down from her position for at least a year, after which the Bureau will review her status.

Jeff Spill, Deputy Director at the Bureau, said, "Penny stocks are speculative investments and are usually not exchange traded or registered offerings. Oppenheimer failed in its compliance duties to ensure that these stocks were sold properly."

Eric Forcier, Bureau Staff Attorney who also participated in the action against Oppenheimer, said, "Securities firms really need to be watching the sale of risky investments like penny stocks. The Bureau will hold firms responsible when they fail to properly supervise their brokers."