

**FOR IMMEDIATE RELEASE**

**CONTACT: Eric Forcier  
Staff Attorney  
(603) 271-1463**

**FORMER PORTSMOUTH SECURITIES BROKER BARRED  
FROM FUTURE ACTIVITY IN NEW HAMPSHIRE  
LIABLE FOR RETURN OF OVER \$2 MILLION TO CLIENT**

**CONCORD, NH (October 20, 2011)** - The New Hampshire Bureau of Securities Regulation announced today that it has issued a Consent Order in a case against Karl E. Hahn, a former representative of Deutsche Bank Securities in Boston, Massachusetts and Oppenheimer & Co. in Portsmouth, New Hampshire. As a result of the order, Hahn will be permanently barred from holding a securities license in New Hampshire. In addition, he did not contest a restitution award asserted by the Bureau for over two million dollars. The issue of restitution is being deferred to a later date as the Bureau awaits any potential restitution that may be awarded as a result of Hahn's pending federal case.

According to the Order, Hahn introduced three high net worth clients to an insurance agent, who then sold them high value life insurance policies financed by a third-party lender. Hahn never disclosed to the clients or his employer that his father would receive approximately \$600,000 in split commissions from these transactions. The Order also found that Hahn recommended a real estate investment that was outside the authority of his employment.

The Bureau also alleged that Hahn induced a client to loan over \$2 million to undisclosed individuals. According to the Bureau, this transaction was kept secret from Hahn's securities firm.

"Mr. Hahn violated his obligations to his clients and his firm by not disclosing deep conflicts of interest he had in recommending various investments," said Eric Forcier,

**-MORE-**

Bureau staff attorney. “In addition, a client was out over \$2 million as a result of these questionable transactions.”

Jeff Spill, Deputy Director at the Bureau, said, “The losses experienced by Mr. Hahn’s client demonstrate why it is so important for the Bureau to enforce requirements for securities professionals to fully reveal their business activities and potential conflicts to clients and employers. The Bureau will actively pursue these kinds of cases.”

In addition to the permanent bar, Hahn was ordered to reimburse the Bureau for investigation expenses and to keep the Bureau informed about restitution awards in other proceedings, including the pending federal case. Any failure to meet the requirements of the Order may result in further action by the Bureau.