

FOR IMMEDIATE RELEASE

**CONTACT: Scott Kirby
Communications Director
(603) 271-6837**

N.H. SECURITIES REGULATORS OPPOSE EFFORT BY CONGRESSIONAL PANEL TO LIMIT STATE'S AUTHORITY TO DETER FRAUD

Concord, NH (July 15, 2003) – New Hampshire Regulators today spoke out against a Congressional amendment that would sharply curtail their ability to protect investors. Mark Connolly, the Director of New Hampshire's Bureau of Securities Regulation, said he feared the bill would handcuff his office at a time when investor confidence is still reeling from the recent wave of corporate malfeasance and questionable practices by the nation's largest security firms.

Connolly said the amended bill would prevent State regulators from creating rules for brokerage firms that differ from those established by the SEC, and could prohibit states from instituting enforcement actions similar to the one that recently produced a \$1.4 billion settlement with ten brokerage firms. "I understand the effort by the subcommittee of the House Financial Services Committee to strengthen the Security and Exchange Commission's hand," said Connolly. "However, there is a necessary balance between Federal and State securities regulation, and the amendment proposed last week unduly shifts that balance away from the states. At this time of investor weariness, it is particularly important for State regulators to remain diligent and relevant in the regulatory process."

Connolly also pointed out that State regulators were at the forefront of investigations into the penny stock scandals of the mid 1990's and played a key role in warning investors of the pitfalls of day trading and other risky practices such as buying stock on margin.

-END-