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FOR IMMEDIATE RELEASE:

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INVESTMENT SETTLEMENTS OFFER RELIEF TO NEW HAMPSHIRE INVESTORS NH SECURITIES BUREAU ANNOUNCES WIDE-RANGE SETTLEMENT WITH INVESTMENT BANKS \$2 MILLION IN SECURITIES AGREEMENTS EXPECTED WITH STATE

(Concord, New Hampshire, Release Date August 17, 2009) Mark Connolly, Director of the New Hampshire Bureau of Securities Regulation, said today that help for New Hampshire investors harmed by unfair sales practices in relation to auction rate securities is expected in the near future.

Sold to investors by brokerage firms in New Hampshire and nationally, auction rate securities were marketed as safe, liquid, and cash-like investments. In reality, such securities are long-term investments subject to a complex auction process, which failed in 2008 in large part because of the national credit crisis. This failure led to investors not being able to access their funds.

As a result, early in 2008 state securities offices across the country began receiving complaints from investors. In April of last year, a task force consisting of twelve states—including New Hampshire—was formed by the North American Securities Administrators Association (NASAA), an organization of securities regulators represents all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Canadian Provinces, and Mexico. The purpose of the task force was to investigate the possibility that prominent Wall Street firms and other financial institutions had systematically misled average small investors by selling them auction rate securities (ARS). While investigating complaints relating to sales of ARS, state investigators learned that several prominent securities dealers had failed to adequately inform customers and train their brokers about the risks associated with buying these types of securities.

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To-date, the task force has negotiated settlements with twelve investment banks. It is estimated that some \$60 billion in funds nationally will be returned to investors as a result of these agreements. For New Hampshire investors, state regulators estimate upwards of \$300 - \$500 million in funds could be made available to institutional and retail investors in the state. New Hampshire State government will also receive upwards of \$2 million in ARS –related penalty fines as a result of the ARS settlements over the next year.

“From the day these auctions first failed, the states banded together and moved quickly to help investors who were in effect stuck holding these investments that in most cases should not have been sold,” Connolly said. The New Hampshire Bureau of Securities Regulation anticipates entering into settlement agreements during the next twelve months with Bank of America, Citibank, Credit Suisse, Deutsche Bank, Goldman Sachs, JP Morgan, Merrill Lynch, Morgan Stanley, RBC, UBS and Wachovia. Without naming other names at this juncture, the NH Bureau says that settlement agreements with other financial firms are possible. “These settlements will also hold the firms accountable for selling auction rate securities without fully disclosing the risks involved. I am pleased the firms are prepared to do what is right by repurchasing these positions from their clients. This sends a strong message that states will not tolerate unethical and unlawful behavior.”

The Securities Bureau continues to investigate the role of UBS in the auction rate securities market and how during 2007-2008 UBS did not adequately advise the New Hampshire Higher Education Loan Corporation (NHHELCO), the state’s private student loan provider. As a result of the failed auction rate market, NHHELCO was hampered as a student loan underwriter to offer new student loans. The Bureau filed against UBS last year, alleging fraud against the bank concerning its role as an investment banker for NHHELCO. This past June, the Bureau again filed an administrative action against UBS for selling so-called Lehman Brothers-sponsored Principal Protected Notes in NH that are now worthless or subject to bankruptcy proceedings. Connolly said, “The quick-hit money making game is over. These firms really need to start cleaning up their act, and UBS in particular needs to start working with state and national regulators to resolve its past problems and focus on making right by its clients. We fully expect this to be resolved. ”

The Securities Bureau encourages any NH investor who still holds an auction rate security and is unable to sell it, to contact the bank or financial institution he or she purchased it from. For further information investors can also contact the Bureau directly at 603-271-1463 or access its website at www.sos.nh.gov/securities or the NASAA website at info@nasaa.org.