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## **NH SECURITIES BUREAU ISSUES CONSENT ORDER ON UBS AND STATE STUDENT LOAN PROGRAM**

**Concord, NH (April 15, 2010)** – The New Hampshire Bureau of Securities Regulation announced today that it has issued a Consent Order in a proceeding against UBS Securities, LLC. The Bureau had charged UBS with violations of State securities laws and a breach of fiduciary duty to New Hampshire Higher Education Loan Corporation. NHHELCO, a non-profit corporation, has for years been the leading provider of student loans to college students in New Hampshire. As a result of this proceeding, UBS will provide a total financial benefit of \$20 million to NHHELCO, and will pay \$750,000 to the Bureau to cover all of the Bureau's costs of investigation and litigation.

The matter focused on events leading to the 2008 collapse of the auction rate securities market, which had been the prime market for bonds issued by NHHELCO. UBS was NHHELCO's broker-dealer and underwriter. The Bureau was assisted in this action by Ed Haffer and Dave Allen of Sheehan Phinney Bass & Green.

"This outcome sends a clear message to Wall Street firms doing business in New Hampshire that the interests of New Hampshire citizens will be aggressively protected. In this case, students and parents alike had depended on NHHELCO for over 80 percent of the student loans made to New Hampshire citizens. When NHHELCO was harmed, so were they," said, Mark Connolly, Director of the Bureau.

Connolly, in a letter to UBS senior management last year, had encouraged the Swiss firm to directly engage with regulators and address the Bureau's allegations in a constructive fashion. "UBS responded seriously and appropriately, and, as a result, this matter was resolved in a timely, productive manner," said Connolly.

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