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## **Department reminds auction rate securities investors to contact firms about buyback offers**

*Wall Street firms to repurchase more than \$50 billion of the securities from investors*

(Salem) – The Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities (DFCS) reminded auction rate securities investors today of their redemption opportunities, which were reached as part of the settlements between securities regulators and several prominent Wall Street firms. In the settlements, 11 firms agreed in principle to repurchase more than \$50 billion of auction rate securities.

“While some repurchases have been made, many more are to come in the months ahead,” said David Tatman, administrator of DFCS. “Investors should be aware that the offers to repurchase their auction rate securities are not open indefinitely. We urge any investor with questions about the repurchase program to contact the firm from which they originally purchased their auction rate securities.”

Several firms have established hotlines to respond to questions from customers concerning the terms of the auction rate securities settlements. Those firms and their hotlines are: Bank of America (866-638-4183), Citi (866-720-4802), Deutsche Bank (866-926-1437), Goldman Sachs (888-350-2857), JP Morgan (866-450-8470), Merrill Lynch (888-706-1381), Morgan Stanley (800-566-2273), UBS (800-253-1974), and Wachovia (866-283-7943).

The settlements are part of an effort among state securities regulators to provide relief to investors who have had their funds frozen in the auction rate securities market. Auction-rate securities are debt instruments with long-term maturities, such as bonds or notes, issued by municipalities or student-loan agencies that have interest rates reset by auction every seven to 35 days. They often are pooled in closed-end funds. ARS investors typically have been institutions, but brokers recently have been marketing the complex products to individual investors. The securities are often promoted as being similar to cash deposits or money market accounts. However, because of tight credit markets stemming from the sub-prime mortgage crisis, many auctions where auction-rate securities are traded have failed. As a result, many investors are finding that they are unable to access their money – contrary to what they were told when they bought the product.

Earlier this year, state offices began receiving hundreds of complaints from the public. As a result, in April, the North American Securities Administrators Association formed a multi-state task force, comprised of securities regulators in 12 states, to investigate whether the nation's prominent Wall Street firms had systematically misled investors when placing them in auction rate securities.

The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit [www.dfcs.oregon.gov](http://www.dfcs.oregon.gov). The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit [www.dcbcs.oregon.gov](http://www.dcbcs.oregon.gov).