



DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division

News Release

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HAWAII COMMISSIONER OF SECURITIES REMINDS AUCTION RATE SECURITIES INVESTORS TO CONTACT FIRMS ABOUT BUYBACK OFFERS

HONOLULU – As state securities regulators continue their efforts to provide relief to investors who have had their funds frozen in the auction rate securities (ARS) market, Hawai'i Commissioner of Securities Tung Chan reminds ARS investors of their redemption opportunities, which were established as part of the settlements between securities regulators and several prominent Wall Street firms.

“While some repurchase offers have already been made, many more are to come in the months ahead,” explained Chan. “Investors should be aware that the offers to repurchase their auction rate securities are not open indefinitely, and we urge any investor with questions about the repurchase program to contact the firm from which they originally purchased their auction rate securities.”

A number of firms have established hotlines to respond to questions from customers concerning the terms of the settlements:

- 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)
- Wachovia (866-283-7943)

In settlements reached with state and federal securities regulators, 11 firms have agreed in principle to repurchase more than \$50 billion of auction rate securities. In consideration of the settlements, securities regulators agreed to terminate their investigations into the marketing and sale of auction rate securities to individual investors.

The investigations into possible violations were part of an ongoing states-led effort to address problems in connection with the offer and sale of ARS securities. Earlier this year, state offices began receiving hundreds of complaints from Main Street investors. In April, the North American Securities Administrators Association (NASAA) announced the formation of 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 ARS securities.

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