



**Division of Securities**  
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## **NEWS RELEASE - November 24, 2009**

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### **Colorado Securities Commissioner Agrees to Credit Suisse Securities Auction Rate Securities Settlement**

Colorado Securities Commissioner Fred Joseph announced today the terms of a settlement between DORA's Division of Securities and Credit Suisse Securities (USA) LLC. Under the terms of the settlement, Credit Suisse agreed to buy back \$79.4 million worth of auction rate securities from Colorado investors who found themselves unable to sell their securities after they had been frozen in the auction rate securities ("ARS") market.

The settlement concludes an investigation led by state securities regulators, including DORA's Division of Securities, into allegations that Credit Suisse failed to ensure that all of its sales representatives made appropriate disclosures to customers regarding the nature and risks of auction rate securities. Customers were told that auction rate securities were highly liquid, highly rated alternatives to money market investments and other cash-equivalent investments. The ARS markets froze in February of 2008, triggering a flood of complaints from investors who could not withdraw money from their accounts. States received complaints from a wide range of investors who suffered significant financial damage because the money they were told was liquid was tied up in the frozen ARS market.

"We are pleased to see that Credit Suisse has resolved this problem," said Colorado Securities Commissioner Fred Joseph. "Securing a liquidity solution for investors in Colorado has been the primary objective of our investigations of firms who sold auction rate securities, and this agreement achieves that goal," said Joseph.

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The Colorado settlement is part of a multi-state agreement in which Credit Suisse has bought back or agreed to resolve over \$3.5 billion of auction rate securities from all Credit Suisse customers who held those securities at the time the auction market failed on February 14, 2008.

The investigation into possible violations by Credit Suisse is part of a larger state-led effort to address problems in connection with the offer and sale of ARS securities. State regulators, including Colorado, are continuing their investigations into possible misconduct by other firms, and have reached agreements to settle with some of these firms.

*DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.*

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