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NEWS RELEASE

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Colorado Securities Commissioner Agrees to Banc of America Auction Rate Securities Settlement

Colorado Securities Commissioner Fred Joseph announced today the terms of a settlement between the Colorado Division of Securities and Banc of America Securities and Banc of America Investment Services ("Banc of America"). Under the terms of the settlement, Banc of America agreed to buy back \$155 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 the Colorado Division of Securities, a division within the Department of Regulatory Agencies (DORA), into allegations that Banc of America misled its clients by falsely assuring them that ARS securities were as safe and liquid as cash. 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.

"This settlement, along with the previous settlements announced with other banks, represents a major victory for investors who for months have been unable to access their funds at Banc of America because those funds were placed in auction rate securities," said Colorado Securities Commissioner Fred Joseph. "Securing a liquidity solution for investors has been the primary objective of our investigations, and this agreement achieves that goal. We are pleased to see that Banc of America has resolved this problem."

This settlement is the fourth that the Securities Commissioner has finalized. Previous settlements include Citigroup, which bought back \$505 million worth of auction rate securities from Colorado residents; Merrill Lynch, which bought back \$256 million worth of auction rate securities from Colorado residents; and Wachovia, which bought back \$157 million worth of auction rate securities from Colorado residents.

The investigation into possible violations by Banc of America 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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