



NEWS RELEASE

For Immediate Release – May 13, 2010

Contact: Fred Joseph, Securities Commissioner or Jerry Rome, Deputy Securities Commissioner, 303-894-2320

Colorado Securities Commissioner Agrees to UBS Securities and UBS Financial Services Auction Rate Securities Settlement

Colorado Securities Commissioner Fred Joseph announced today the entry of a Consent Order that finalizes the terms of settlement between the Colorado Division of Securities and UBS Securities LLC and UBS Financial Services, Inc., ("UBS") agreed to in August of 2008. Under the settlement agreement, UBS agreed to buy back in excess of \$456 million worth of auction rate securities from retail 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, into allegations that UBS misrepresented to its clients that auction rate securities were as safe and liquid as cash, and its failure to provide mandatory training to its agents to ensure accurate disclosure of ARS characteristics to clients. 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 is the ninth that the Securities Commissioner has finalized. Previous settlements include Deutsche Bank Securities, Citigroup Global Markets, Bank of America Securities, Credit Suisse Securities, JP Morgan Chase, Merrill Lynch, RBC Capital Markets, and Wachovia Securities.

This investigation was part of a larger state-led effort to address problems in connection with the offer and sale of auction rate 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.

###