

MERRILL LYNCH/GOLDMAN SACHS/DEUTSCHE BANK

State Securities Regulators Announce Settlements with Merrill Lynch, Goldman Sachs, Deutsche Bank in Auction Rate Securities Investigations

Under the terms of the settlement, Merrill Lynch agreed to buy back by October 1, 2008 all auction rate securities purchased through the firm by retail investors with accounts of \$4 million or less in assets; by January 2, 2009 for all other retail investors and all other investors with accounts of \$100 million or less in assets. Goldman Sachs agreed by November 12, 2008 to buy back auction rate securities for all retail investors who purchased ARS securities through the firm and Deutsche Bank agreed to buy back auction rate securities from all retail investors who purchased ARS securities through Deutsche by 90 days from today's date.

Under the settlements announced today, Merrill Lynch, Goldman Sachs, and Deutsche Bank will also:

- Fully reimburse all retail investors who sold their auction rate securities at a discount after the market failed;
- Consent to a special, public arbitration procedure to resolve claims of consequential damages suffered by retail investors as a result of not being able to access their funds;
- Undertake to expeditiously provide liquidity solutions to all other institutional investors; and
- Reimburse all refinancing fees to any municipal issuers who issued auction rate securities through these firms since August 1, 2007.

Courtesy North American Securities Administrators Association, *State Securities Regulators Announce Settlements with Merrill Lynch, Goldman Sachs, Deutsche Bank in Auction Rate Securities Investigations*, August 21, 2008.