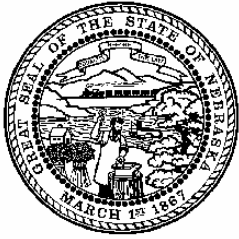


# STATE OF NEBRASKA

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**Mike Johanns**  
Governor

## DEPARTMENT OF BANKING AND FINANCE

**Samuel P. Baird**

*Director*

Suite 311, The Atrium

1200 N Street

P.O. Box 95006

Lincoln, Nebraska 68509-5006

**DATE: December 29, 2003**

**CONTACT: Laura Larson**  
Nebraska Dept. of Banking & Finance

**FOR IMMEDIATE RELEASE**

**PHONE: 402-471-2171**

## Press Release

Lincoln, Neb. – All 9 Wall Street firms under investigation for allegedly writing misleading stock recommendations have settled with the State of Nebraska, paying a total of \$3.875 million to the State of Nebraska.

“Our Bureau of Securities staff has done a good job of handling these settlements and ensuring that Nebraska is a part of the overall agreement,” said Samuel Baird, director of the Nebraska Department of Banking and Finance.

The last settlement with UBS Warburg LLC/UBS PaineWebber Inc. was reached Dec. 24, with the state receiving a payment in the amount of \$250,000. UBS Warburg LLC/UBS PaineWebber was the last of nine firms to enter into an agreement with Nebraska.

Other companies that have settled, the settlement date and the payments that have been made are: Bear Stearns & Co., Inc., Oct. 27, \$250,000; Credit Suisse First Boston, LLC, Oct. 27, \$750,000; J.P. Morgan Securities, Inc., Nov. 3, \$250,000; and Morgan Stanley & Co, Inc., Nov. 3, \$250,000; U.S. Bancorp Piper Jaffray Inc., Nov. 5, \$125,000; Lehman Brothers, Inc., Nov. 18, \$250,000; Goldman, Sachs & Co., Nov. 25, \$250,000; and Citigroup Global Markets Inc., formerly known as Salomon Smith Barney Inc., Dec. 15, \$1.5 million.

Funds received by the state as a result of these settlements are placed into the Securities Act Cash Fund. Monies in this fund are allocated by states legislators and are eligible for transfer to the state’s general fund.

Several states and the Securities Exchange Commission began investigating these firms on suspicions that the stock recommendations issued by each firm were influenced by other business aspects. The investigation and subsequent settlements became known as the Global Settlement. All nine firms sold securities within Nebraska, and settlement agreements for the State of Nebraska have been negotiated by the Nebraska Department of Banking and Finance’s Bureau of Securities.

The Bureau of Securities oversees securities regulation within the state. They have participated in several investigations of securities firms over the past year and are currently leading a separate investigation into another securities firm.

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