

UBS

Securities Regulators Announce Settlement with UBS in Auction Rate Securities Investigation

Under the terms of the settlement, UBS will buy back, no later than October 31, 2008, all illiquid auction rate securities from all UBS retail customers, including charities, who have less than \$1 million on deposit. In addition, no later than January 2, 2009, UBS will buy back all illiquid auction rate securities from all other UBS retail customers, charities, and small to mid-sized businesses. These customers, who number approximately 40,000 nationwide, have been unable to sell their securities since February 13, 2008.

UBS will also:

- Fully reimburse all retail investors who sold their auction rate securities at a discount after the market failed in February 2008;
- 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, in which UBS will not contest its liability for the illiquidity of the auction rate securities and in which UBS will pay all forum fees;
- Undertake to expeditiously provide liquidity solutions to all other institutional investors, with regular progress reports and subject to an outside deadline of June 30, 2010; and
- Reimburse all refinancing fees to municipal issuers who issued auction rate securities through UBS since August 1, 2007, and who refinanced those securities after the market failed.

Courtesy North American Securities Administrators Association, *Securities Regulators Announce Settlement with UBS in Auction Rate Securities Investigation*, August 11, 2008.