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STATE SECURITIES REGULATOR SLAMS FEDERAL REPORT

Concord, NH (April 3, 2008) - The Director of Securities Regulation for the State of New Hampshire, Mark Connolly this week criticized the Treasury Department's call for an overhaul of the country's financial regulatory landscape.

On Tuesday, Secretary of the Treasury Hank M. Paulson, Jr. laid out a comprehensive plan that restructures financial regulation at both the national and state levels, in effect reducing the impact of state regulators. Speaking in Washington the day of Paulson's remarks, Connolly addressed a joint meeting of state and federal securities regulators, saying "the hard evidence does not support the claim that securities regulation also needs to be fundamentally altered."

If enacted by Congress, Paulson's plan would consolidate many regulatory functions, including banking, securities and insurance and create broad new regulatory oversight bodies at the federal level.

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Connolly, who serves as the head of the Corporate Finance Section of the North American Securities Administrators Association, made his remarks in Washington this past Wednesday as chairman of a panel discussion concerning regulatory restructuring. The panel also included Roel Campos, a former SEC Commissioner and Lynn Turner, the former Chief Accountant for the SEC.

Connolly observed that Paulson's Report was supposed to be about market competitiveness but had morphed into financial services regulatory overhaul, in part because of the mortgage crisis. Connolly pointedly questioned why new powers should be given to the Federal Reserve "when, in fact, the FED already had powers to reign in the mortgage markets."

Connolly believes the study does not sufficiently address individual investors or investor protection. "This report is more about going light on regulation than helping investors. There is no doubt that some change is needed, particularly in making sure that financial regulation does what it should be doing—protecting investors. This Plan just moves the pieces around and attempts to reign in those regulators who actually have been doing something—namely, those at the state level, where industry can not necessarily control the result."

While in Washington this week Connolly also met with Congressional and government officials to discuss proposed regulatory changes.

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