

Americas Watchdog Demands Banks & Financial Institutions Refund Small Investors Money Placed In Auction Rate Preferred Shares.

Americas Watchdog has uncovered a gigantic pattern of what appears to be possible fraud, with respect to US banks or global financial service companies selling US citizens an investment device called an "auction rate preferred share"(ARPS). The possible issue with fraud has to do with the banks or financial institutions telling investors that an auction rate preferred share was just like a CD & investors could get their money back in 7 business days. Now investors are being told there is no answer as to when they will get their money back. According to Americas Watchdog, "we are talking about thousands of US citizens that trusted a bank or financial institution with their life savings & now they cannot get their money out. Why not"?

Washington, DC ([PRWEB](#)) March 27, 2008 -- Americas Watchdog is calling upon U.S. banks, or global financial institutions that sold U.S. citizens a auction rate preferred share (ARPS) to stop playing games, and refund the investors money immediately. According to Americas watchdog, small investors were sold "auction rate preferred shares" (ARPS) as a "better substitute for a CD."

According to Americas Watchdog, investors were told by their bank or stock broker that, "You can get your money back in 7 business days, or less. A ARPS is just like a CD." According to Americas watchdog, "U.S. consumers relied upon the seven day period to cash out, by the banker or stock broker and now they are being told they cannot get their money back by the bank or stock broker, or it may take months". Americas Watchdog and its Corporate Whistle Blower Center consider this to be just one more big lie on the part of Wall Street.

Americas Watchdog alleges the following about auction rate preferred shares:

- * Small investors (Mom and Pops) were told by a bank representative or a stock broker that "auction rate preferred shares were just like a CD with no risk."

- * Small investors in most cases told the bank or stock broker that they did not want a risky investment and they wanted something that was liquid.

- * Small investors were told by the U.S. Bank or stock broker that they could get the money out within seven business days.

- * Small investors were not given a prospectus on an auction rate preferred share even though it was a security. According to Americas Watchdog; "so US banks or global financial institutions are no longer required to give a small investor a prospectus when selling a security in the US? Why do we have a Securities & Exchange Commission?"

- * Now small investors who were talked into an "auction rate preferred shares (ARPS) are being told by a US bank or global financial institution, "they can borrow up to 50% of their money back from the bank or global financial institution if they need cash". According to Americas Watchdog, "this is ridiculous, first the small investor gets lied to about the liquidity of an auction rate preferred share, then they get told by the bank or the stock broker, the small investor can borrow their own money back with interest? For lack of a much better word or words, this is baloney"!

- * Small investors may have total exposure in option rate preferred shares in the hundreds of billions of dollars. For many small investors, a bank or a stock broker talked the small investor into giving them their entire life savings. "Why can't they get their money out of this 'safe, easy to get out of' investment?" asks America's Watchdog.



According to Americas Watchdog, "Auction rate preferred shares were offered to investors with no prospectus, and the investors were given statements showing the auction rate preferred share was cash. This was obviously a big lie on the part of banks and financial institutions."

Americas Watchdog is demanding that the U.S. banks and global financial institutions refund all money in auction rate preferred shares immediately. The group claims, "This is just one more example of Wall Street lying through its teeth, at the expense of small investors who were sold a bill of goods. Give the U.S. investors who purchased a option rare preferred share back their money, or else we make sure everyone gets an attorney & every State Attorney General is forced to get involved."

Because of this obvious liquidity issue with some major U.S. banks and global financial services companies, Americas Watchdog is strongly recommending that U.S. consumers have no more than \$100,000 in any one U.S. bank, and consumers need to be certain the bank/financial institution has U.S. federal deposit insurance.

On the topic of Wall Street embellishments, Americas Watchdog indicates, "This week we heard that Wall Street and world financial markets considered the U.S. real estate down turn over. Nothing could be further from the truth. U.S. real estate markets will lose another 10% of value in 2008 and at least as much in 2009 because of increasing foreclosures, and desperate sellers selling at any price in a short sale. Our nation is headed into a very deep recession, why continue to lie about it? Why trust Wall Street after the real estate disaster and now the option rate preferred shares fraud debacle?"

Americas Watchdog's National Mortgage Complaint Center is one of the most quoted sources in the nation on the US mortgage meltdown. Their web site is located at <http://NationalMortgageComplaintCenter.com>.

Americas Watchdog and its Corporate Whistle Blower Center are all about consumer protection and corporate responsibility. Americas Watchdog's Corporate Whistle Blower Center's web site is located at <http://AmericasWatchdog.com>.

###



Contact Information

THOMAS MARTIN

Americas Watchdog

[Http://AmericasWatchdog.Com](http://AmericasWatchdog.Com)

866-714-6466

Online Web 2.0 Version

You can read the online version of this press release [here](#).