



Wall Street's Auction Rate Preferred Shares the Largest Case of Outright Fraud in U.S. History, Declares Americas Watchdog

Americas Watchdog is demanding the the Securities & Exchange Commission & every State's Attorney General start investigating "auctionrate preferred shares"& the fact that citizens in every US state were sold these extremely risky investments by a bank or stock broker as, "same as cash" Now tens of thousands of US citizens are being told by a bank or stock broker, "we don't know when you will get your money back". Why is this the biggest single case of fraud in US history? Its because the investors did not want risk, they wanted safety, and instead of that they were given an exotic risky investment device by greedy Wall Street investment houses & US banks. Why does this story deserve to be on NBC, CBS, ABC, & CNN? Its because this is by far the largest case of outright fraud in US history.

Washington, DC ([PRWEB](#)) April 8, 2008 -- Americas Watchdog and its Corporate Whistle Blower Center are demanding that name brand banks or Wall Street financial institutions refund 100% of the investment unsuspecting US citizens placed in exotic investment devises called auction rate preferred shares, or auction rate shares. According to Americas Watchdog, "tens of thousands of US citizens were told by a US bank or Wall Street financial institution that auction rate shares were just like a CD, they were perfectly safe, and a consumer would never have to worry about their investment."

"Now in most cases, these small investors are being told by their bank or stock broker, they cannot get their money back or it will take months or longer. These US citizens were lied to, and now Americas Watchdog intends to force the issue with the SEC, State Attorney Generals, & the TV networks. We are talking about a half trillion dollars +; the life savings of tens of thousands of Americans. Wall Street and the banks will not get away with the biggest con job in history," states Americas Watchdog.

Americas Watchdog alleges the ARPS/ARS fraud is the biggest case of fraud in US history for the following reasons:

* Tens of thousands of US citizens were told by a name brand bank or a Wall Street stock brokerage firm that auction rate preferred shares (ARPS/ARS) were just like cash, they were safe, they were just like a money market account, etc. The consumers did not want risk. Relying on their US bank or Wall Street stock brokerage firm, mom and pops and small investors in many cases were given an auction rate preferred share as a "safe alternative to a CD". Small investors were talked into investing hundreds of billions of dollars into this scheme.

* Now these same banks or stock brokers are telling their clients they cannot access their money right now. However, the banks or stock brokerage firms are offering the auction rate preferred US victims the ability to borrow back some of their money, with interest. According to Americas Watchdog, "what a pathetic joke, first the banks & major stock brokers lie to tens of thousands of US citizens about the liquidity of auction rate preferred shares, now these same banks or brokers want to lend the victims back their own money? Not one customer was ever given a prospectus to the best knowledge of Americas Watchdog.

* Americas Watchdog is indicating that if banks or financial institutions do not refund the auction rate preferred shares money in full to consumers, in the very near future the group will start a state by state protest/media event where individual consumers get to tell their auction rate preferred shares story to the local news media in



front of the bank of stock brokerage firm that sold them this exotic not very safe investment. Consumers who were tricked into buying an option rate preferred share can call Americas Watchdog anytime at 866-714-6466.

According to Americas Watchdog, "The gloves are coming off, we are tired of seeing US citizens ripped off over and over and over again by Wall Street, US banks or a bought and paid for US Congress."

Talk about Reform or transparency from banks and Wall Street. In another case Americas Watchdog has been demanding that Congress require banks and mortgage bankers disclose a little known mortgage kick back called a "yield spread premium" for the last six years. According to the group, "50 million US homeowners pay a higher monthly mortgage payment today, because a bank or mortgage banker did not have to reveal the huge kick back they received, for increasing a home loan borrower's interest rate/monthly mortgage payment. Mortgage brokers must disclose these kick backs. Banks or mortgage bankers get the same kick backs, but they have no disclosure requirement."

Americas Watchdog says, "this kick back scheme rates #2 right behind the auction rate preferred shares fraud." In the case of the yield spread premium kick back, Congress has not been willing to require banks to disclose mortgage kickbacks because of the large donations they get from banks, home builders and mortgage bankers. Americas Watchdog's National Mortgage Complaint Center estimates that banks, mortgage bankers or home builders not having to disclose huge mortgage kick backs combined with appraisal fraud, are two of the major reasons we now have a national real estate meltdown. The National Mortgage Complaint Center's web site is located at <http://NationalMortgageComplaintCenter.com>

According to Americas Watchdog, "It's time for some accountability on the part of Congress and Federal Agencies that are supposed to be protecting people. Whatever happened to Federal oversight, or consumer protection? Having the best Congress money can buy has given us:

- * The auction rate preferred shares mega disaster
- * The US biblical type real estate disaster
- * Tax breaks for oil companies
- * Billions in tax breaks for national home builders that have failed to pay federal or state taxes on their work force (most of whom were/are undocumented workers-Google Americas watchdog the worst case of tax fraud in US history)
- * High profile Congressional hearings on steroid use in baseball instead of Congressional hearings on drug companies paying off Congress for Medicare Part B that cost 30 billion dollars more per year than it should have (The drug companies actually wrote the legislation).
- * No Congressional hearings on Auction Rate Preferred Shares fraud even though its a \$720+ billion dollar disaster
- * With lots of money going to Congress, the mortgage industry fought fiercely to spike a provision to let bankruptcy judges rewrite the terms of distressed mortgages. It won that battle; the provision was left out. This in light of the fact that home builders and banks artificially inflated the values of US homes.
- * Contrary to the Wall Street lies about the credit crunch being over within the next 12 months 1 in 5 Americans will owe more on their home than it is worth.

"Things have to change at the top in the form of real national leadership, corporate honesty & integrity or our country will not survive," says Americas Watchdog.

Americas Watchdog is all about consumer protection, shareholder protection and corporate responsibility. Their web site is located at <http://AmericasWatchdog.com>



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