



## **Americas Watchdog Calls Auction Rate Securities The Worst Con Job In US History & They Want To Hear From Every Victim**

*Americas Watchdog and its National ARPS's & ARS's Complaint Center are demanding that Wall Street & US banks clean up the auction rate preferred shares & auction rate shares scandal immediately. Americas Watchdog has indicated that the auction rate preferred shares or auction rate shares scandal is the worst single case of fraud in US history. Victims of the ARPS or or ARS scandal are encouraged to call Americas Watchdog at 866-714-6466. Their web site is located at [Http://ARSWatchdog.Com](http://ARSWatchdog.Com)*

Washington, DC ([PRWEB](#)) May 5, 2008 -- According to Americas Watchdog, "The auction rate securities scandal is by a light year, the worst case of out right fraud in US history." Americas Watchdog wants to hear from every US consumer who was conned into buying "auction rate preferred shares", or a "auction rate shares". Their number is 866-714-6466.

According to the group, "Our auction rate preferred shares investigation, or our auction rate shares investigation will not end until we have enough proof to send US stock brokers, US bankers, and financial institution executives to jail for the fraud they have committed on tens of thousands of innocent US citizens."

What are auction rate securities?

Auction rate securities typically refers to a debt instrument (corporate or municipal bonds) with a long-term nominal maturity for which the interest rate is reset through a dutch auction. It could also refer to a preferred stock for which the dividend is reset through the same process. In a dutch auction, a broker-dealer submits bids, on behalf of current and prospective investors, to the auction agent. Based on the submitted bids, the auction agent will set the next interest rate by determining the lowest rate to clear the total outstanding amount of ARS. ARS holders do not have the right to put their securities back to the issuer; as a result no bank liquidity facility is required.

Sound Complicated? According to Americas Watchdog, "Auction rate preferred shares or auction rate shares are incredibly complicated. They are so complicated, they should be classified as an exotic investment that should have only been made available to the most sophisticated financial institutions. They should have never been sold to unsuspecting US citizens."

So why is the auction rate securities scam the worst case of fraud in US History?

1. Per the New York Times & Wall Street Journal, "The auction rate securities fiasco involves \$320 Billion dollars or more. Most of the \$320 billion consists of the life savings of tens of thousands of US citizens." According to Americas Watchdog, "Based upon our research, we could find not any financial scheme that came anywhere close to the \$320 billion dollars involved in the auction rate securities scheme. As such, we consider this to be the worst case of fraud in US history."

So what is the big deal about auction rate shares or auction rate preferred shares? Why was it fraud, for name brand US banks, name brand US stock brokerage firms, and name brand financial institutions to sell these



exotic investments to US consumers?

1. According to Americas Watchdog, unsuspecting US consumers were told by a US bank, a name brand stock brokerage firm or a financial institution that they should move out of their CD's, or money market accounts because auction rate preferred shares, or auction rate shares were safe, they were liquid, they came with no risk, the consumer could get out of these investments whenever they wanted, etc. According to Americas Watchdog, "Per the New York times article, our group has talked to 1000+ victims, and each one has the same no risk, same as cash, liquid investment story."

2. According to Americas Watchdog, it was all a big fat lie. Auction rate preferred shares, or auction rate shares were extremely risky, they were not safe, as it turned out they were not liquid, etc. Now tens of thousands of US consumers stand to lose their life savings because a US bank, a name brand stock broker or a name brand financial institution lied to them about a very unsafe investment.

In mid February of this year, the auctions failed, and now tens of thousands of US citizens live in fear that their life savings are gone. \$320 Billion in investment limbo, and the Securities and Exchange Commission has done nothing? Americas Watchdog has called for the resignation of SEC Commissioner Christopher Cox for a do nothing approach on the part of his federal agency. \$320 billion in peoples life savings, and the banks or stock brokerage firms have not cashed out US consumers on this, "Just like cash investment with zero risk?"

Lawsuits have been filed against UBS, Citi Group, Merrill Lynch, J P Morgan, Bank of America, Wachovia Bank, Morgan Stanley, Oppenheimer Holdings, TD Ameritrade, Wells Fargo Bank, Deutsche Bank, Sun Trust Bank, Eaton Vance, and many others (check the Internet for specific case filings). If a person who purchased a auction rate security feels like they were lied to with respect "a safe & liquid investment", they are welcome to call Americas Watchdog anytime at 866-714-6466. Their auction rate securities complaint center web site is located at <http://ARSWatchdog.com>.

If Wall Street, a major US bank or stock brokerage firm would lie to small US investors about the liquidity an investment that was supposed to be liquid, what else have they failed to tell US citizens?

Consumers who feel created by the auction rate preferred shares or auction rate shares fraud should call Americas Watchdog anytime at 866-714-6466.

Americas Watchdog's Auction Rate Securities web site is located at <http://ARSWatchdog.com>.

Americas Watchdog is all about consumer protection and corporate responsibility.

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