



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

DATE: April 25, 2005
CONTACT: Heather Murphy (602) 542-0844

COMMISSION APPROVES TWELFTH ANALYST SETTLEMENT AGREEMENT

Thomas Weisel Partners to pay Arizona \$79,064

PHOENIX – The Arizona Corporation Commission approved a settlement with Thomas Weisel Partners, LLC, which represents the twelfth settlement involving Wall Street analyst conflict of interest cases. The order was signed today. Arizona will receive a total of \$79,064 in fines to be deposited in the state’s General Fund as a result of this order. To date, the brokerage firms have paid a total of over \$7.5 million to Arizona. This money represents Arizona’s pro-rata share of all the settlements negotiated by state and federal regulators.

Investigations by regulators focused on whether research analysts misled investors by entering into arrangements that conflicted with their ability to do independent research and offer impartial recommendations. Regulators found that Thomas Weisel Partners either omitted material facts or provided exaggerated claims in its stock research reports. Regulators also determined that, similar to the eleven other Wall Street firms, Thomas Weisel Partners compensated its research analysts based in part on the analysts’ contribution to investment banking revenues. Investment banking interests also played a role in determining which companies would be covered by the firm’s analysts and which would be dropped.

Similar to the other settlements, Thomas Weisel Partners agreed to implement significant reforms to its stock research practices. In part, these reforms include:

- Disclosing on research reports any investment banking compensation the firm received or expects to receive from the companies covered,
- Separating compensation for research analysts from the firm’s investment banking business,

- Prohibiting investment bankers from influencing analysts' compensation,
- Establishing a Research Recommendations Committee to ensure the veracity of stock research recommendations,
- Prohibiting all employees from promising or implying that a recommendation would be made in exchange for the firm being awarded an investment banking transaction, and
- Designating a compliance monitor who will ensure compliance with the agreement and be available to research analysts who feel undue influence or pressure from any source.

Approval of the agreement concludes Arizona's investigation and any action the Commission could initiate against Thomas Weisel Partners in connection with its past research practices. The agreement and the Commission's order, however, do not preclude any investor's private litigation against this firm.

To read about Commission actions against other Wall Street brokerage firms or to learn about enforcement actions by the Commission, view the news releases section of the website at:

<http://www.azinvestor.gov/News/HotOffThePresses.asp>. Investors can find a variety of helpful brochures and tips on wise investing at the investor education website, www.azinvestor.gov. To call the Commission's Securities Division, dial 602-542-4242 within Maricopa County or toll free, 1-866-VERIFY-9, from elsewhere.

###