

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Announces Intent to Sell Warrant Positions in Public Dutch Auctions

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WASHINGTON - The U.S. Department of the Treasury today announced its intention to dispose of certain warrant positions received in consideration for investments made under the Capital Purchase Program (CPP). Over the next several weeks, Treasury intends to conduct auctions to sell its warrant positions in The Hartford Financial Services Group, Inc. and Lincoln National Corporation.

Each of these financial institutions has fully repurchased Treasury's preferred stock investment. The warrant sales anticipated over the next several weeks, if consummated in full, would represent Treasury's disposition of its remaining holdings in these financial institutions. The proceeds of these sales will provide an additional return to the American taxpayer from Treasury's investments in these financial institutions beyond the dividend payments it received on the related preferred stock.

Treasury intends to sell the warrants through public offerings. These offerings will be executed using a modified Dutch auction methodology that establishes a market price by allowing investors to submit bids at specified increments above a minimum price specified for each auction. More detailed guidance for the auctions will be available in prospectuses that will be filed by the warrant issuers prior to the opening of each auction. Treasury expects to conduct similar auctions in the future for other warrant positions it holds in financial institutions that have repaid CPP.

Deutsche Bank Securities Inc. (Deutsche Bank) has been retained as the auction agent and sole bookrunning manager for these offerings. In this role, Deutsche Bank will accept bids and identify a clearing price for each auction. If investors do not have an account with Deutsche Bank, they may be able to participate in the auction through their own brokers, as a network of several dozen brokerage firms will be invited to aggregate suitable client orders and submit them to Deutsche Bank. The warrants are complex securities that are not suitable for all investors.

Prospective investors will be able to obtain copies of the prospectuses relating to these securities, when available, from Deutsche Bank Securities Inc., Prospectus Department, Harborside Financial Center, 100 Plaza One, Jersey City, New Jersey 07311-3988, telephone: 1-800-503-4611, or by email at prospectus.cpdg@db.com.

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