

PAULSON CAPITAL CORP.
(Ticker Symbol: PLCC)

Frequently Asked Questions by Investors

Corporate Information:

1. Where can I get information on the Company?

Company and Investor Relations information is available on the website at www.paulsoninvestment.com. Also, you may contact the Investor Relations Department at IR@paulsoninvestment.com.

2. Where are Paulson's corporate headquarters?

Paulson Capital Corp.
811 SW Naito Parkway, Suite 200
Portland, Oregon 97204
Phone: 503-243-6000 and Fax: 503-243-6018
Website: www.paulsoninvestment.com

3. How many people does Paulson Capital currently employ?

Paulson Capital Corp's subsidiary Paulson Investment Company, Inc. currently employs 152 people; 80 Independent Contractor Registered Representatives, 57 Employee Registered Representatives (Portland, Salem, and NYC), and 15 non-registered employees (such as administration, operations, etc.).

Investor, Financial and Legal Information:

4. Where does Paulson's Common Stock trade?

Paulson Capital's common stock trades on NASDAQ Capital Market under the symbol "PLCC".

5. How do I purchase Paulson's Common Stock?

Since Paulson does not have a direct stock purchase plan, you can buy shares of PLCC by contacting any retail stockbroker or online brokerage service.

6. Does Paulson pay a dividend on its Common Stock?

Paulson has paid "special" dividends on its Common Stock. On January 15, 2004, Paulson paid \$0.10 as the first "special" dividend. The second was \$0.15 paid March 3, 2005 and the third was \$0.30 paid February 10, 2006. A two-for-one stock split also occurred on March 29, 2006.

7. When does Paulson's fiscal year end?

December 31.

8. I am a potential Paulson investor and would like information.

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9. Who is Paulson's auditor?

Peterson Sullivan LLP
601 Union Street, Suite 2300
Seattle, WA 98101
Phone: (206) 382-7777
Website: www.pscpa.com

10. Who is Paulson's transfer agent and how do I contact them?

Paulson Capital's stock transfer agent is StockTrans, Inc.

They can help with a variety of shareholder-related services and should be contacted for the following:

- Change of address
- Transfer ownership of stock
- Request stock certificate(s)

StockTrans, Inc.
44 West Lancaster Avenue
Ardmore, Pennsylvania, 19003
Phone: 610-649-7300 and Fax: 610-649-7302
Website: www.stocktrans.com