

**PAULSON INVESTMENT COMPANY, INC.
TO HOST 31ST WESTERGAARD CONFERENCE**

One-Day Event to Showcase Emerging Growth Companies in High Growth Sectors

PORTLAND, Ore. – (MARKET WIRE) – August 27, 2008 – Paulson Investment Company, Inc., a wholly-owned subsidiary of Paulson Capital Corp. (Nasdaq:PLCC), today announced that it will be hosting Paulson Investment's Westergaard Conference on Wednesday, November 12, 2008, at the Waldorf Astoria, one of New York City's most treasured landmarks.

"For over three decades, Paulson Investment's Westergaard Conference has stood as one of the most popular and well attended forums for bringing together exciting emerging growth companies with Wall Street professionals seeking compelling small and micro cap investment opportunities. Paulson Investment Company, Inc. is very proud to again be hosting this important event and looks forward to welcoming both new and returning investment professionals," stated Chester Paulson, Chairman and founder of Paulson Investment Company, Inc.

The event will showcase emerging growth companies focused on establishing leadership in a broad range of high growth sectors, including alternative energy, security, oil and gas, high technology, pharmaceutical, biotechnology, environmental and consumer products. Founded in 1978 by noted small cap analyst John Westergaard, this conference provides an important venue for select small and micro cap companies to share detailed insight into their business operations, short and long term growth strategies and industry vision.

Space is limited, so investment professionals interested in attending must pre-register for the event. For more information or to pre-register, please visit www.westergaardconference.com.

Elite Financial Communications Group and Dutton Associates will serve as platinum sponsors for this event. For more information on sponsorship opportunities, please contact Tiffany Korkis or John Morrison at Elite Financial Communications Group by calling 407-585-1080, or via email at Tiffany@efcg.net or John@efcg.net.

A list of confirmed presenting companies and corporate sponsors will be published in the coming weeks.

EVENT AT A GLANCE:

WHEN: **Wednesday, November 12, 2008**
8:00 AM ET – 5:00 PM ET

WHERE: **Waldorf Astoria**
301 Park Avenue (Between 49th and 50th)
New York City

LUNCH

KEYNOTE: **Lawrence Kudlow** is host of CNBC's primetime "Kudlow & Company," which airs nightly from 7:00 PM to 8:00 PM. He is also the host of "The Larry Kudlow Show" on WABC Radio that airs Saturdays from 10:00 AM to 1:00 PM. Larry Kudlow is Chief Executive Officer of Kudlow & Co., LLC, an economic and investment research firm. He is also a nationally syndicated columnist and author. Larry Kudlow is a familiar face in Washington and on Wall Street - a renowned free market, supply-side economist armed with knowledge, vision and integrity acquired over a career spanning three decades.

If you have questions, please contact Conference Services, Paulson Investment Company, Inc. at 503-243-6027 or via email at conference@paulsoninvestment.com; or Tiffany Korkis or John Morrison, Elite Financial Communications Group, at 407-585-1080, or via email at Tiffany@efcg.net or John@efcg.net.

About Paulson Capital Corporation

Paulson Capital Corporation is the parent company to Paulson Investment Company, Inc. Headquartered in Portland, Oregon, Paulson Investment Company, Inc. is the Northwest's largest independent brokerage firm and a national leader in public offerings of small and emerging growth companies with capital needs of \$5 million to \$45 million. Founded by Chester "Chet" Paulson in 1970, it has managed or underwritten 163 securities offerings and has generated more than \$1.2 billion for client companies. The firm's enduring success stems from its ability to recognize emerging industry trends and from supporting emerging companies pioneering positive change and advancements in those related markets.

With corporate and independent retail brokerage offices located in 11 states throughout the country, Paulson Investment Company, Inc. aims to earn and build trust with retail and select institutional investors through highly customized financial portfolio management, diversified financial products and service offerings and effective administration and execution of investment strategies that specifically address individual risk tolerance levels. In addition, Paulson Investment Company, Inc.'s brokerage clients look to the firm for compelling new investment ideas in the small and emerging growth markets.

This release may contain "forward-looking statements" based on current expectations but involving known and unknown risks and uncertainties. Actual results of achievements may be materially different from those expressed or implied. The Company's plan and objectives are based on judgments with respect to future conditions in the securities markets as well as general assumptions regarding the economy and competitive environment in the securities industry, which can be volatile and out of our control. In particular, we make assumptions about our ability to complete corporate finance transactions and increase the volume and size of our securities trading operations, which are difficult or impossible to predict accurately and often beyond the control of the Company. Therefore, there can be no assurance that any forward-looking statement will prove to be accurate.

**FOR MORE INFORMATION, PLEASE CONTACT:
Elite Financial Communications Group, LLC
Dodi Handy, President and CEO,
407-585-1080 or via email at plcc@efcg.net**