

PAULSON

INVESTMENT COMPANY, INC.

Member: FINRA/SIPC

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PAULSON INVESTMENT COMPANY, INC. BECOMES UO CORPORATE LEADERSHIP PARTNER

Paulson is one of 12 companies donating an average \$100,000 or more per year over the past five years

Portland, Ore. – October 22, 2007 - Paulson Investment Company, Inc., a wholly-owned subsidiary of Paulson Capital Corp. (Nasdaq:PLCC), has been designated by the University of Oregon as a Corporate Leadership Partner. Through continuous support over the years, Paulson is pleased to have a strong relationship with the University.

The University of Oregon first launched its corporate partners program in 2005 to recognize the University's most dedicated corporate supporters and find ways to help the regional economy thrive. The program has been a huge success, and the University has 86 partners today. Among those, twelve companies are recognized as Corporate Leadership Partners.

"Corporate partners play an essential role in the vitality of a research university," said UO President Dave Frohnmayer. "Firms such as Paulson Investment Company provide much needed support for the academic programs at the University of Oregon. They not only support research, they hire our graduates and provide a vital link between the university, the local community and the economy of Oregon."

"As a company, we maintain a strong commitment to Oregon education, and we are honored to support the University of Oregon's mission in the creation and transfer of knowledge in the liberal arts, the natural and social sciences, and the professions," said Chester L.F. Paulson, founder and chairman of Paulson Investment Company, Inc. and a 1958 university graduate.

Paulson's most recent gift enabled the University of Oregon Libraries to achieve one of its campaign goals of raising \$1 million for Special Collections endowments. Paulson has given to the University's libraries in the past, providing funds in 1999 to create an endowment that supported library technology and in 1992 to purchase the libraries' two-millionth volume.

For more information on the Corporate Giving program, please visit <http://corporate.uoregon.edu>.

About Paulson Investment Company, Inc.

Paulson Capital Corp. is the parent company to Paulson Investment Company, Inc. Located 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

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growth companies with capital needs of \$5 million to \$45 million. Founded by Chet Paulson in 1970, it has managed or underwritten more than 150 public offerings and has generated more than \$1 billion for client companies. For more information, visit www.paulsoninvestment.com.

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