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**PAULSON'S WESTERGAARD CONFERENCE ATTENDEES SPLIT ON
FUTURE OF U.S. ECONOMY**

Vote Took Place during Gathering of Micro and Small Cap Investment Professionals

NEW YORK, NY – Nov. 14, 2007 – Paulson Investment Company, Inc., a wholly-owned subsidiary of Paulson Capital Corp. ("Paulson") (Nasdaq: PLCC) polled micro and small cap industry experts and executives at Paulson Investment's 30th Annual Westergaard Conference in New York City on Nov. 13 for their outlook on the 2008 micro and small cap market. The survey reveals that just over 50 percent feel that current market uncertainty is expected to hinder micro and small cap investments this quarter. However, the survey results also show an expectation of moderate growth for micro and small cap investments in 2008.

"This is the fifth consecutive year we have surveyed attendees," said Trent Davis, president and CEO of Paulson Investment Company, Inc. "We conducted the survey to identify how the investment community feels about the effects of current market volatility, and their expectations for micro and small cap market activity in 2008. The survey covers market growth in industry sectors and investment banking."

Expected Activity in Energy Sector

Conference attendees were asked to choose micro or small cap sectors that would likely be the most active in 2008. This is the first year where attendees have listed Energy as their top choice, with more than 22 percent of respondents predicting it would be the most active sector.

Biotechnology/Pharmaceuticals/Healthcare was the second choice with more than 21 percent of attendees expressing that this sector will be most active in 2008. Internet Content/Commerce was the third place sector, selected by 17 percent of the attendees. Security dropped from third place last year to fourth place this year, with 10 percent of respondents suggesting it would be most active in 2008.

Fourth Quarter of 2007

When polled about the continued uncertainty and volatility of the market in the fourth quarter of 2007, approximately 53 percent of respondents suggested that the current state could potentially drive investors away from micro and small cap investments. Of those respondents, 60 percent anticipate moderate downturn in the sector this quarter.

Small Cap Investment Activity in 2008

Seventy-six percent of respondents expect activity to increase for micro and small caps in 2008, with 24 percent anticipating negative or no growth. Despite the consensus for growth, respondents are more cautious than last year when 90 percent predicted growth in 2007. Only 17 percent expect significant growth in 2008, and more than 43 percent expect moderate growth. More than 39 percent of respondents expect no growth.

Of respondents who believe micro and small cap activities will increase in 2008, 51 percent believe there will be 0-20 percent growth, with 38 percent expecting 20-40 percent industry growth and 11 percent expecting more than 40 percent growth.

About Paulson Investment's Westergaard Conference

Paulson Investment Company, Inc. hosted more than 500 attendees at Paulson Investment's 30th Annual Westergaard Conference. The conference showcases small and emerging growth companies focused on establishing leadership in a broad range of industry sectors, including alternative energy, security, technology, pharmaceutical, biotechnology, environmental and consumer products. Founded in 1978 by noted small cap analyst John Westergaard, this conference provides a venue for select micro and small cap companies to share detailed insight into their business operations, short- and long-term growth strategies, and industry vision.

About Paulson Capital Corp.

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 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.

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.