

**PAULSON INVESTMENT COMPANY, INC. CHAIRMAN AND CEO
HONORED BY UNIVERSITY OF PORTLAND PAMPLIN SCHOOL OF
BUSINESS**

Chairman Chet Paulson and CEO Trent Davis Recognized as “Significant Alumni”

PORTLAND, Ore. – – September 18, 2009 – [Paulson Investment Company, Inc.](http://www.paulsoninvestment.com/) (Paulson), a wholly owned subsidiary of Paulson Capital Corp. (Nasdaq:PLCC), is proud to announce the recognition of its Chairman, Chester “Chet” Paulson, and Chief Executive Officer, Trent Davis, by the University of Portland Pamplin School of Business.

At the school’s 75 year anniversary celebration held in downtown Portland yesterday, 75 significant alumni of the Pamplin School of Business were recognized, among them Mr. Paulson and Mr. Davis who both received their master’s degree in Business Administration from the University of Portland.

“I am honored to receive such distinguished recognition by one of Portland’s leading academic institutions,” said Chet Paulson. “It was a privilege to be named among such influential members of the business community at the 75th anniversary ceremony of the Pamplin School of Business.”

Paulson Investment Company, Inc. began in Portland in 1970 and has grown to the Northwest’s largest independent brokerage. Over the last 39 years the Company has managed or underwritten 163 securities offerings and has generated more than \$1.2 billion for client companies. In addition, Paulson Investment Company, Inc. has expanded nationally with 41 retail branch locations throughout the country.

“The University of Portland gave me the education, confidence and credibility necessary to begin and succeed in my business career, and I’ve always been proud to be associated with such a prestigious school,” added Trent Davis. “Chet and I are truly honored to be named among this distinguished list of business leaders.”

For more information on Paulson Investment Company, Inc.: <http://www.paulsoninvestment.com/>

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 41 branch offices 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.

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