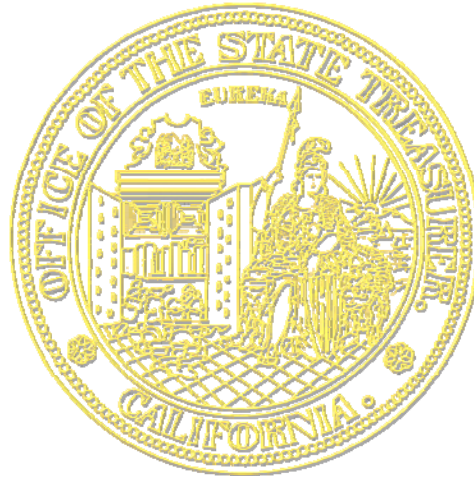


California State Treasurer's Office



Buy California Bonds Retail Program

February 6, 2009

New York

Buy California Bonds Retail Program

- Objective is to outreach to retail investors
- Started with the June 2007 GO sale
- Many aspects combine to appeal to individual investors:
 - ✓ Involvement of up to 70 securities firms selling our bonds
 - ✓ 2-day priority period for individuals to place orders
 - ✓ Radio and newspaper advertising
 - ✓ Website providing information and directing investors to securities firms selling the bonds




BuyCaliforniaBonds.com

Information hub for retail investors

Website contains specific information on:

- ✓ ROP process
- ✓ Benefits of buying during the ROP
- ✓ Links to participating broker-dealers
- ✓ Email subscription to future sales



Early Order Period

The State is committed to making bonds available to individuals on a first priority basis through an early order period known as the Retail Order Period ("ROP").

What is the Process?

The ROP for state bond and note sales typically occurs during the two days before the official bond or note pricing.

- Through the end of the ROP, investors can submit orders through their broker. Bonds and notes cannot be purchased directly from the State.
- Brokers submit investors' orders for bonds or notes in specific amounts and maturity dates based on approximate interest rates.
- Once the bond or note sale is completed, usually the day after the ROP, interest rates are finalized.
- Retail investors are notified of the status of their order and the final pricing. (Note: The ability to fill individual orders depends on the amount of bonds or notes available and the amount of orders. While there is no guarantee, individual orders usually are filled.)
- Investors who order bonds or notes during the ROP have the right to change, or cancel, their order until the order has been confirmed after final pricing.

Individuals should consult their broker to learn about any particular process the firm may have for participating in ROPs for the State's bond or note sales.

Before placing an order, investors should read the State's Preliminary Official Statement for the specific bond or note sale.



Special Opportunities for Individual California Investors

The State provides individual investors the opportunity to place orders to buy bonds or notes before other investors.

- [Full description of the early order period process.](#)

Individual investors enjoy advantages when they buy bonds or notes during the early order period

- Individual investors get to place their orders before institutional investors, such as mutual funds or insurance companies.
- They earn the same investment return as institutional investors who buy the same bonds or notes.
- They do not pay the upfront brokerage fee/commission. (Individuals should check with their broker to learn about any other transaction or account maintenance fees.)

To buy bonds or notes, follow these simple steps:

Step 1 – Have a brokerage account

- You must have an account with one of the brokerage firms participating in the bond or note sale. Bonds and notes cannot be purchased directly from the State. If you do not have an account at one of the participating firms, you may open one and purchase bonds or notes during the early order period. (If you have a brokerage account, go to Step 2.)
- Investors are encouraged to begin the New Account process well in advance of the sale. Depending on the brokerage, internal new account procedures may take some time to process.
- Each firm has its own requirements for opening an account. The State does not endorse any particular brokerage firm. Additionally, the State does not guarantee that any one of these firms will open an account for an investor.

Step 2 - Learn about the bonds or notes

- Bonds or notes can only be offered through an Official Statement. Download and read the Preliminary Official Statement to learn about the bonds or notes, including their security, maturity dates, the types of projects they finance and other information you may find important to help you make an informed investment decision. This website is not an offer to sell any bonds or notes.
- Find out the credit ratings California bonds or notes have received.

Step 3 - Place your order

- Contact the broker with whom you have an account, either online or by phone, to get more information about how to buy bonds or notes during the early order period.

BuyCaliforniaBonds.com

Advertising Campaign

California is a big and diverse state

- ✓ Limited budget
- ✓ Target specific regions within the State
- ✓ Radio and newspaper ads push investors to the website



BuyCaliforniaBonds.com

Sample Ads

Newspaper ads



INVEST IN CALIFORNIA

The bond we Californians love with our state is strong. It's the California dream! The state with the world's largest economy. In the world.

Now you can make a difference in the state with California. By investing in California bonds, you can help our state thrive.

The state is selling \$1.75 billion in tax-exempt bonds. Bonds are not for sale until an agreement is reached. Visit BuyCaliforniaBonds.com or contact your broker today. **This special program lasts only through Monday, June 23.**

Invest in California, ahead of your future. Visit BuyCaliforniaBonds.com, a service of the California State Treasurer's Office.



Make a landmark INVESTMENT.

Recognized around the world, it towers above the Pacific, an emblem for the California spirit. And it was paid for by bonds.

Today you have an opportunity to help California stay strong - and strengthen your future.

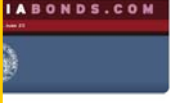
The state is issuing \$1.75 billion in bonds. They're tax-exempt and secured by the full faith and credit of the State of California.

Right now, California residents like you can take advantage of an early order period. You'll have first pick before the larger institutions get in. And you won't have to pay an upfront sales commission on bonds you purchase during this period.

Visit BuyCaliforniaBonds.com or contact your broker today. **This special program lasts only through Monday, March 3 and 4.**

Today you have an opportunity to invest in your future - and help California thrive.

BuyCaliforniaBonds.com




This day,
he'll live the California dream...

He'll visit a state park, attend a school play, and take a drive to the beach. But this day isn't today. It's 25 years from now. And bonds will make it happen.

Voters have approved the sale of state bonds to help build roads, schools and parks, ensuring California's quality of life for years to come.

Right now you have a special opportunity.

The state is selling \$1 billion in tax-exempt bonds, and California residents like you can take advantage of an early order period, during which you will have first pick, before the large institutions can get in. And

BuyCaliforniaBonds.com



INVEST IN CALIFORNIA

Those of us lucky enough to call California home know our state is a great asset that belongs to all of us. From its majestic mountains to its towering redwoods, the Golden State is our treasure.

In a few days, the State will sell \$4 billion of short-term notes. These notes will pay for schools, healthcare, and other vital public services. Your investment will help protect these services.

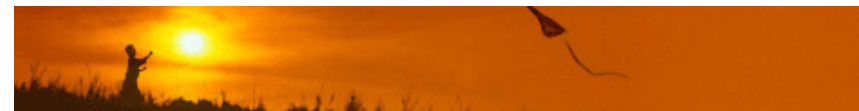
As California residents, you have a special opportunity to buy these notes in an early order period on October 14 and 15. They're tax-exempt. The State will pay your principal and interest, in full, next June. And you won't have to pay an upfront sales commission on the notes you purchase during this period.

Keep California great. Invest in our Golden State. Visit BuyCaliforniaBonds.com.

BUYCALIFORNIA BONDS.COM

Early order period on October 14 and 15.

Online newsletter banner ad



BuyCaliforniaBonds.com

Retail Results

Sale	Par Amount	Retail Orders Filled	%
June 2007 GO	\$2.5 billion	\$690 million	28%
October 2007 GO	\$2.5 billion	\$528 million	21%
October 2007 GO	\$250 million	\$103 million	41%
October 2007 RANs	\$7 billion	\$1.6 billion	23%
November 2007 GO	\$1.0 billion	\$333 million	33%
February 2008 ERBs	\$3.1 billion	\$1.3 billion	42%
March 2008 GO	\$1.75 billion	\$871 million	50%
April 2008 GO	\$1.75 billion	\$784 million	45%
June 2008 GO	\$1.5 billion	\$646 million	43%
October 2008 RANs	\$5 billion	\$3.9 billion	78%
Totals	\$26.35 billion	\$10.76 billion	41%

BuyCaliforniaBonds.com

Tracking Visitors and Buyers

After each sale, staff analyzes:

- ✓ Website visits
- ✓ Online survey responses
- ✓ Email subscription increases (or decreases)
- ✓ Retail zip code information provided by senior underwriter

Website Visits
2008 Bond Sales

Bond Sale*	ROP Day 1 Visits	ROP Day 2 Visits	Sale Date Visits	One-Week Total Visits
February ERB sale	2,845	1,267	701	15,578
March GO Sale	2,183	2,149	1,026	12,695
April GO Sale	2,159	1,136	701	10,834
June GO Sale	1,196	2,457	731	10,486
October RAN Sale	14,985	12,934	6,070	59,830

*Each bond sale had radio and/or newspaper advertising.



Contact Information

For additional information on the Buy California Bonds Program, contact:

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