



NEWS RELEASE

CALIFORNIA STATE TREASURER BILL LOCKYER

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Treasurer Lockyer Launches Unprecedented Web Site in Campaign to Help Californians Buy Bonds and Invest in State's Future *Investors Can Use Site to Participate in \$2.5 Billion Sale Next Week*

SACRAMENTO – State Treasurer Bill Lockyer today launched a first-of-its-kind web site as part of an unprecedented campaign to help Californians invest in the state's future by purchasing voter-approved bonds to build schools, housing, transportation systems, parks and flood control projects.

“Voters have shown they're fully prepared to make the investments needed to give our children a better California and position our state to be the economic powerhouse it should be in the rapidly changing global marketplace,” said Lockyer. “The goal of this campaign is to help Californians take advantage of their opportunity to directly invest in the enterprise they have started to rebuild our state.”

Entitled “Buy California Bonds,” the campaign comes on the heels of voters' November 2006 approval of \$42.7 billion in bonds to improve the state's infrastructure, quality of life and economy. Buy California Bonds aims to show individual investors how they can purchase bonds in an early order period – before institutional investors, at the same price paid by those large investors and without paying an up-front sales commission.

The most important feature of the campaign to boost individuals' investment in bonds is the new web site, which will be managed by Lockyer's office. The first state-run site of its kind in the nation, buycaliforniabonds.com provides information on how to purchase bonds in the early order period, and links to brokers who will place investors' orders. The site also contains the official prospectus for each bond sale, information to help new investors understand and interpret bond credit ratings, and answers to basic questions about these “general obligation” (GO) bonds and investing in them.

Lockyer's launch of the web site comes in time to help Californians purchase tax-exempt bonds during the early order period for a \$2.5 billion GO sale set for June 20. For that sale, the early order period will take place June 18-19. Investors can contact their brokers before June 18-19 and place orders to purchase bonds in that two-day, pre-sale period. Institutional investors will be able to buy the bonds on June 20.

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To direct potential investors to buycaliforniabonds.com and help them participate in the June 18-19 early order period, the campaign is advertising on radio and in newspapers in the Bay Area and Central Coast. While the state has purchased print media ads before, the radio campaign is a first for California. Additionally, the print ads constitute a qualitative leap forward from the legalistic ads the state has run in the past.

“I believe using this type of traditional marketing will attract more individual buyers,” said Lockyer. “Historically, most residents have not taken advantage of these bond offerings, primarily because of a lack of information and tools to help them. In the state's last general obligation bond sale, individual purchases accounted for only seven percent of the total dollar amount. By contrast, in New York City, which has aired radio ads for years, individual investors typically buy 25 percent of new municipal bond issues.”

Lockyer said taxpayers would benefit from increased individual investment in California bonds. More demand for bonds would reduce interest rates on the bonds which, in turn, would cut the state's borrowing costs, he explained.

Michael T. Gomez, a director in the public finance department at Citigroup, the underwriter overseeing the June 20 sale, said, “Even if the campaign results in minimal reductions in interest rates, taxpayers could avoid millions of dollars in interest payments.”

Bonds in the June 20 sale will be issued under bond acts approved by voters to fund a variety of public works across California, including: schools and universities, libraries, children's hospitals, parks, and clean air and water projects.

[View the print media advertisements](#)

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