

CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

November 18, 2008

The Honorable Henry M. Paulson  
United States Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Paulson:

I am writing on behalf of the City of Folsom to request that you exercise the authority extended to you in the recently passed Emergency Economic Stabilization Act of 2008 to purchase, through the Troubled Assets Relief Program (TARP), troubled assets held by local agencies. Our limited taxpayer funds have fallen victim to our nation's financial market's failures. These funds are critical to providing needed public safety and basic infrastructure services to this community.

The bankruptcy of Lehman Brothers has left many on California's main street, including the City of Folsom, holding troubled assets. Notwithstanding these losses, local agencies such as Folsom and others across California and the nation continue to be the primary providers of basic services to our citizens.

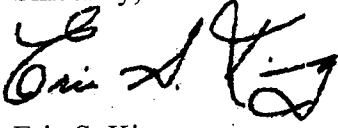
More specifically, the loss of approximately \$700,000 from this City's investment pool will result in reductions in vital services by our Police, Fire, and Public Works departments in the form of cutbacks on hours of operation and needed service levels. While Folsom was not invested in risky instruments we are nonetheless suffering their same fate. The intent of the Emergency Economic Stabilization Act of 2008 is to restore stability to financial institutions suffering these losses; it also should do the same for local agencies.

The City of Folsom respectfully requests that you act to stabilize our financial system, protect local taxpayers, and ensure this solvable and urgent problem is remedied with the purchase of these troubled assets. I feel this action is consistent with the intent and express purpose of TARP. The \$700 billion taxpayer funds approved by Congress are to

The Honorable Henry M. Paulson  
November 18, 2008  
Page Two

restore financial stability not only on Wall Street but for communities like Folsom and others across the nation.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric S. King". The signature is stylized and written in a cursive-like font.

Eric S. King  
Mayor

- c: The Honorable Benjamin S. Bernanke, Chairman of the Board of Governors of the Federal Reserve System
- The Honorable James B. Lockhart III, Director of the Federal Housing and Finance Agency
- The Honorable Christopher Cox, Chairman of the Securities and Exchange Commission
- The Honorable Steve Preston, Secretary of Housing and Urban Development
- The Honorable Dan Lungren, United States House of Representatives
- The Honorable Diane Feinstein, United States Senate
- The Honorable Barbara Boxer, United States Senate
- Mayor and City Council
- City Manager
- Finance Director
- City Attorney
- File