



# CITY OF CULVER CITY

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**D. SCOTT MALSIN**  
MAYOR

**GARY SILBIGER**  
VICE MAYOR

COUNCILMEMBERS  
**CHRISTOPHER ARMENTA**  
**MICHEÁL O'LEARY**  
**ANDREW WEISSMAN**

November 4, 2008

The Honorable Diane Watson, 33<sup>rd</sup> District  
United States House of Representatives  
125 Cannon HOB  
Washington, DC 20515

Subject: Troubled Asset Recovery Program (TARP)

Dear Congresswoman Watson:

We request your consideration in signing on to a letter being circulated by Congresswoman Anna Eshoo of the California delegation. This letter concerns the Troubled Asset Recovery Program (TARP) and requests Secretary of the Treasury Paulson to exercise his authority under Section 103(7) of the recently passed Emergency Economic Stabilization Act of 2008 to purchase the troubled assets held by local governments. Senators Feinstein and Boxer have already sent a similar letter.

The City of Culver City, like many cities across the State of California, has a surplus funds investment portfolio. The City's investment officers, guided by the City's adopted investment policy, invest the City's funds prudently to generate additional income for vital public services.

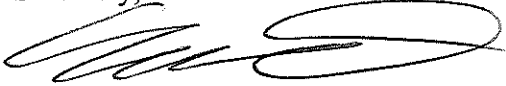
In April 2007, the City invested \$1 million in a senior medium term note of Lehman Brothers, which was rated at investment grade. As you are aware, Lehman Brothers declared bankruptcy. What is very disturbing is that the Lehman Brothers securities remained rated as "investment grade" at "A2" up until the day that Lehman Brothers filed for bankruptcy on September 15, 2008. Moody's Rating Agency had reaffirmed Lehman Brothers "A2" rating on September 10, 2008 only five days before Lehman filed for bankruptcy.

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The City depends not only on interest income from its investments, but also on the return of principal on those investments to fund basic services such as public safety.

We thank you in advance for your consideration and hope you will support our efforts in making the taxpayers whole in this crisis, as contemplated in the TARP legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Scott Malsin". The signature is fluid and cursive, with a large loop at the end.

D. Scott Malsin  
Mayor

cc: Honorable Members of the City Council  
Jerry B. Fulwood, City Manager  
Jeff Mur, Chief Financial Officer