



**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**NEWS RELEASE**

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**State to Offer “Citizens’ Bonds” for Sale On February 25**

MONTPELIER, Vt.—Approximately \$20 million in State of Vermont Citizens’ Bonds will be offered for sale on February 25. The opportunity to purchase the general obligation bonds will be made available first to Vermont residents and businesses. The last Vermont Citizens’ Bonds offering in March 2009 sold out in less than three hours.

Bonds may be purchased in \$1,000 increments and must be bought through a registered broker/dealer. The bonds’ maturities will range from one to 10 years. The State Treasurer’s Office does not sell the bonds directly and does not endorse any particular broker/dealer. Any bonds remaining after Vermonters have had the opportunity to invest will then be made available to retail and institutional investors from outside of the state.

“Based on the strong response to our March 2009 bond offering, I would urge anyone interested in purchasing these bonds to contact a registered broker/dealer right away,” said State Treasurer Jeb Spaulding. “Interest earnings from the bonds are exempt from state and federal taxes. As a new bond issue, these bonds are sold without commission or trading mark-up.”

The sale of bonds to investors is the process by which states borrow money to make critical investments in public infrastructure. The money raised by a bond sale funds the construction and maintenance of a wide range of State buildings and transportation projects. Moody’s Investor Service has rated Vermont bonds as triple-A, the highest rating available to government issuers. Vermont bonds are also rated AA+ by Standard & Poor’s Ratings Service and by Fitch Ratings. The higher the bond rating, the more creditworthy the rating agency evaluates a bond issuer to be.

In addition to the Vermont Citizens’ Bonds, on February 25 the State Treasurer’s Office also plans to make available up to \$50 million in negotiated general obligation refunding bonds. These bonds are normally sold in increments larger than \$1,000. The amount of refunding bonds, if any, will depend upon the level of interest rates at the time of the sale. Lower interest rates will mean that more bonds can be refinanced for savings.

“The process of issuing refunding bonds is similar in concept to a homeowner refinancing a home to take advantage of lower interest rates,” explained Spaulding. “Sales of these bonds enable the State to retire debt with higher interest rates and replace it with debt obligations that have lower interest charges.”

Investors interested in the Vermont Citizen’s Bonds should contact their registered broker/dealer. If an investor does not have a broker/dealer, he or she may consult the Vermont Department of Banking, Insurance, Securities and Health Care Administration’s

web site to search a data base of registered broker/dealers with offices in the state. For a link to the BISHCA database go to [www.BuyBonds.Vermont.gov](http://www.BuyBonds.Vermont.gov) . The preliminary Official Statement for this offering also will be available at this link on the State Treasurer's web site around February 18. The offering is named: State of Vermont General Obligation Bonds, 2010 Series B (Citizens' Bonds) and 2010 Series C (Refunding Bonds).

Under no circumstances should this announcement of bond issuance be considered an offer to sell or a solicitation to offer to buy, nor shall there be any sales of the bonds in any jurisdiction in which such offer, solicitation, or sales would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The bonds will be offered for sale by means of an Official Statement.