



December 22, 2011

FOR IMMEDIATE RELEASE

Contact: Fred MacFarlane – (213) 369-8425

U.S. Treasury Department indicates ‘no change’ at close of IRS examination of Vernon Light and Power 2009 Series-A revenue bonds

Vernon, CA – The U.S. Department of the Treasury has completed its Internal Revenue Service (IRS) examination of \$419 million in Vernon Light and Power Series-A revenue bonds issued in 2009, making an official “determination to close the examination with no change to the position that interest received by the beneficial owners of the bonds is excludable from gross income under Section 103 of the IRS Code.”

Vernon City Administrator Mark Whitworth called the IRS’s revenue bond audit finding “positive and reassuring.”

“We have long maintained that the City of Vernon acted in full legal compliance with federal law with respect to the issuance of our city’s Light and Power revenue bonds. We are pleased to receive notification from the IRS that, after having reviewed all relevant documents and information, matters with respect to our Series-A revenue bonds are correct and in order to the current satisfaction of U.S. Treasury Department officials,” Mr. Whitworth said.

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Vernon was founded in 1905 to create jobs in California. Vernon’s 1,800 businesses create more than 105,000 jobs in the Los Angeles area – including 55,000 jobs within the city’s 5.2-mile boundary. The Los Angeles County Economic Development Corporation designated Vernon as California’s ‘Most Business Friendly City.’ Vernon generates more than \$330 million in state income and sales taxes, \$1.1 billion in taxable spending. Vernon’s businesses provide more than 4.4 billion in salaries and wages annually for workers in Los Angeles County. For more information, go to www.cityofvernon.org.

Exclusively Industrial

**Internal Revenue Service
Tax Exempt/Government Entities**

Department of the Treasury

City of Vernon
Attn: Honorable Mayor Hilario Gonzales
4305 Santa Fe Avenue
Vernon, California 90058

Date:

December 14, 2011

Contact Person:

Denise C. Barns

Employee ID Number:

1000875728

Contact Telephone Number:

(501) 396-5734

Contact Address:

T:GE:TEB:7226:MS:4900

700 W. Capitol Avenue

Little Rock, AR 72201-3225

Employer Identification Number:

95-6000808

Re: Notification of No Change Determination
\$419,400,000 City of Vernon Electric System
Revenue Bonds, 2009 Series A

Dear Sir or Madam:


We have recently completed our examination of the bond issue(s) named above (the "Bonds"). As a result, we have made a determination to close the examination with no change to the position that interest received by the beneficial owners of the Bonds is excludable from gross income under section 103 of the Internal Revenue Code.

Please note, if the need arises to open another examination on the Bonds, any change resulting from the future examination may affect all open years of the beneficial owners of the Bonds.

If you have any questions or concerning this matter, please contact the person whose name and phone number are shown above.

Thank you for your cooperation in this matter.

Sincerely,



Robert E. Henn
Manager, Tax Exempt Bonds Field Operations

CC: Mr. Larry D. Sobel, Esq.