



THE CHAIRMAN

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

June 20, 1995

The Honorable Robert E. Rubin
Secretary
Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Dear Bob:

As we have discussed, the bankruptcy of Orange County, California, and the imminent maturity of \$1.6 billion of short-term County debt highlights the importance of proper management of public funds by state and local officials. Enclosed is a memorandum, prepared by my staff, which describes the County's financial situation and provides a brief calendar of significant dates during the coming weeks.

Responsibility for prudent investment of public funds by state and local government officials ultimately rests at the state and local levels. The ability of state and local governments to have low cost access to the debt markets, however, is an important matter of federal concern. I therefore look forward to working with you on a joint effort by the Department of the Treasury and the Commission to educate state and local government officials about sound investment strategies and modern risk management techniques.

I will contact your office in the near future to further this important project. If you wish to speak with me before then, please feel free to telephone me at 202-942-0100.

Sincerely,

A handwritten signature in dark ink, appearing to be "AL", written in a cursive style.

Arthur Levitt

Enclosure