

In the opinion of Bond Counsel to the State of California (the "State"), interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is exempt from State personal income taxes, all as further discussed in "TAX MATTERS" herein.

**STATE OF CALIFORNIA
\$1,102,300,000
VARIOUS PURPOSE GENERAL OBLIGATION BONDS
AND
\$210,790,000
GENERAL OBLIGATION REFUNDING BONDS**

Dated: Date of Delivery

Due: October 1, as shown on inside cover

Interest on the Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2010, at the respective rates per annum set forth on the inside cover. The Bonds may be purchased in principal amounts of \$5,000 or multiples thereof in book-entry form only. See "THE BONDS—General" and APPENDIX B— "THE BOOK-ENTRY ONLY SYSTEM."

Concurrently with the sale of the Bonds, the State has sold \$2,825,000,000 principal amount of taxable general obligation bonds and general obligation refunding bonds pursuant to a separate Offering Memorandum. The sale of the Bonds is not contingent on the sale of such taxable bonds.

Certain of the Bonds are subject to redemption prior to their stated maturities, as described herein. See "THE BONDS—Redemption."

The Bonds are general obligations of the State to which the full faith and credit of the State are pledged. The principal of and interest on all State general obligation bonds, including the Bonds, are payable from any moneys in the General Fund of the State, subject only to the prior application of such moneys to the support of the public school system and public institutions of higher education. See "AUTHORIZATION OF AND SECURITY FOR THE BONDS."

This cover page contains certain information for general reference only. It is not a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

**MATURITIES, PRINCIPAL AMOUNTS,
INTEREST RATES, YIELDS AND CUSIPS
(See Inside Front Cover)**

The Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of validity by the Honorable Edmund G. Brown Jr., Attorney General of the State of California and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the State. Orrick, Herrington & Sutcliffe LLP and QUATEMAN LLP are serving as Co-Disclosure Counsel to the State with respect to the Bonds. Orrick, Herrington & Sutcliffe LLP and Stradling Yocca Carlson & Rauth, a Professional Corporation, are serving as Co-Disclosure Counsel to the State regarding Appendix A. Certain matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. Public Resources Advisory Group is serving as the Financial Advisor to the State with respect to the Bonds. The Bonds are expected to be available for delivery through the facilities of The Depository Trust Company on or about October 15, 2009.

**HONORABLE BILL LOCKYER
Treasurer of the State of California**

**Citi
Siebert Brandford Shank & Co., LLC**

Alamo Capital
Cabrera Capital Markets, LLC
De La Rosa & Co.
Goldman, Sachs & Co.
Jackson Securities LLC
Loop Capital Markets, LLC
Morgan Stanley & Co. Incorporated
Oppenheimer & Co. Inc.
Prager Sealy & Co., LLC
Raymond James & Associates, Inc.
Sandgrain Securities Inc.
The Northern Trust Company

Barclays Capital
City National Securities, Inc.
Edward D. Jones & Co., LP
Great Pacific Securities
Jefferies & Company, Inc.
MFR Securities, Inc.
M.R. Beal & Company
Pershing LLC
Robert W. Baird & Co.
RBC Capital Markets
Southwest Securities, Inc.
Toussaint Capital Partners, LLC
William Blair & Company

**Merrill Lynch & Co.
Wells Fargo Securities**
BMO Capital Markets GKST Inc.
Comerica Securities, Inc.
Fidelity Capital Markets
Grigsby & Associates, Inc.
J.P. Morgan
Morgan Keegan and Company, Inc.
Nollenberger Capital Partners Inc.
Piper Jaffray & Co.
Ramirez & Co., Inc.
Rice Financial Products Company
Stone & Youngberg
Wedbush Morgan Securities

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP¹

**\$1,102,300,000
STATE OF CALIFORNIA
VARIOUS PURPOSE GENERAL OBLIGATION BONDS**

\$728,095,000 Serial Bonds

Base CUSIP: 13063B

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹ Suffix</u>	<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹ Suffix</u>
2015	\$68,215,000	3.000%	2.950%	AA0	2020	\$21,730,000	5.000%	4.280% ^C	AJ1
2015	18,890,000	5.000	2.950	AB8	2020	71,385,000	5.250	4.280 ^C	AK8
2016	42,580,000	3.250	3.370	AC6	2021	27,190,000	5.000	4.390 ^C	AL6
2016	56,340,000	5.000	3.370	AD4	2021	55,505,000	5.250	4.390 ^C	AM4
2017	27,700,000	3.500	3.700	AE2	2022	87,945,000	5.250	4.470 ^C	AN2
2017	90,050,000	5.000	3.700	AF9	2025	26,375,000	5.000	4.690 ^C	AP7
2018	18,605,000	3.750	3.930	AG7	2025	66,720,000	5.250	4.690 ^C	AQ5
2018	48,865,000	5.000	3.930	AH5					

\$10,000,000 4.750% Term Bonds Due October 1, 2029, Yield: 5.000%; CUSIP¹: 13063BAT9

\$239,455,000 5.000% Term Bonds Due October 1, 2029, Yield: 5.000%; CUSIP¹: 13063BAR3

\$124,750,000 5.250% Term Bonds Due October 1, 2029, Yield: 4.900%^C; CUSIP¹: 13063BAS1

**\$210,790,000
STATE OF CALIFORNIA
GENERAL OBLIGATION REFUNDING BONDS**

\$139,935,000 Serial Bonds

Base CUSIP¹: 13063B

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹ Suffix</u>	<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹ Suffix</u>
2015	\$ 1,030,000	3.000%	2.950%	BK7	2018	\$13,190,000	5.000%	3.930%	BB7
2015	6,000,000	4.000	2.950	AV4	2020	1,200,000	4.000	4.280	BP6
2015	7,770,000	5.000	2.950	AU6	2020	5,205,000	4.000	4.280	BC5
2016	1,230,000	3.250	3.370	BL5	2020	11,525,000	5.250	4.280 ^C	BD3
2016	4,335,000	4.000	3.370	AW2	2021	16,665,000	4.000	4.390	BE1
2016	12,420,000	5.000	3.370	AX0	2021	1,190,000	4.000	4.390	BQ4
2017	1,220,000	4.000	3.700	BM3	2022	7,355,000	4.250	4.470	BF8
2017	4,290,000	4.000	3.700	AY8	2022	1,180,000	5.000	4.470 ^C	BR2
2017	12,455,000	5.000	3.700	AZ5	2022	9,220,000	5.000	4.470 ^C	BG6
2018	1,210,000	4.000	3.930	BN1	2025	1,180,000	4.500	4.690	BS0
2018	3,540,000	4.000	3.930	BA9	2025	16,525,000	4.500	4.690	BH4

\$66,115,000 5.000% Term Bonds Due October 1, 2029, Yield: 5.000%; CUSIP¹: 13063BBJ0

\$4,740,000 5.250% Term Bonds Due October 1, 2029, Yield: 4.900%^C; CUSIP¹: 13063BBT8

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^C Priced to the October 1, 2019 par call date.