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Cori McKenzie, Principal
525 Middle Road, Belmont
650-637-4820

CIPRIANI SCHOOL
Maria Lang-Gavidia, Principal
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650-637-4840

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3100 St. James Road, Belmont
650-637-4850

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Kathy Kelley, Principal
500 Biddulph Way, Belmont
650-637-4860

RALSTON MIDDLE SCHOOL
Jennifer Kollmann, Principal
2675 Ralston Avenue, Belmont
650-637-4880

REDWOOD SHORES SCHOOL
Cherie Ho, Principal
225 Shearwater Parkway
Redwood City, CA 94065
650-802-8060

SANDPIPER SCHOOL
Linda McDaniel, Principal
801 Redwood Shores Parkway
Redwood City, CA 94065
650-631-5510

**Belmont-Redwood Shores
School District**
2960 Hallmark Drive
Belmont, CA 94002-2999
650-637-4800 - Main
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<http://www.brssd.org>

January 4, 2011

Staff and School Community:

Below is a Press Release regarding a lawsuit filed against Lehman Brothers. Please see below for further details. Later this week we will be posting responses to frequently asked questions on our district website brssd.org

Dr. Emerita Orta-Camilleri, Superintendent

SCHOOLS FILE LAWSUIT TO RECOVER LOSSES

Earlier today, twelve school districts (listed on the next page) and the County Superintendent of Schools filed a lawsuit in San Francisco against the County of San Mateo and its former Treasurer, Mr. Lee Buffington, seeking recovery of \$20 million in school district funds that were lost by the County Treasurer when Lehman Brothers filed bankruptcy in September 2008. The school districts seek not only to recover their financial losses, but also to ensure that the County Treasurer will implement the investment standards and safeguards needed to ensure the future safety of public school funds.

The money lost by the County Treasurer included funds for instruction and operations, taxpayer-approved bonds, and other funds critical to educating San Mateo County's children. The County Treasurer charged the districts substantial fees to manage their money, for which the County Treasurer was required to provide competent, professional investment services. The multi-million dollar losses suffered by the school districts have added to dramatic budget problems already facing area schools.

The claim alleges that the County Treasurer violated State and County investment policies and failed to adhere to prudent investment practices, as required by law. The Treasurer was aware of the deterioration in the Lehman Brothers credit rating and its plunging stock price, yet continued to invest more money in Lehman Brothers than was prudent under any reasonableness standard. In addition to ignoring known problems with Lehman Brothers, the claim alleges that the Treasurer violated fundamental concepts of investment diversification by investing approximately \$155 million of the County Investment Pool in Lehman Brothers.

The districts have attempted to resolve this dispute without litigation, but the County has not come forward with any offer to address the losses suffered by the districts. Because the lost funds are crucial for the education of thousands of children throughout San Mateo County, the districts and county superintendent are now seeking restitution through the courts.

A copy of the lawsuit may be viewed at www.jgn.com/news.

Any further inquiries should be directed to:
Anne Campbell, County Superintendent of Schools, (650) 802-5554

**SCHOOL DISTRICTS FILING LAWSUIT AGAINST
COUNTY OF SAN MATEO TO RECOVER LEHMAN LOSSES**

1. Belmont-Redwood Shores School District
2. Burlingame Elementary School District
3. Cabrillo Unified School District
4. Jefferson Elementary School District
5. Las Lomas Elementary School District
6. Menlo Park City Elementary School District
7. Portola Valley Elementary School District
8. Ravenswood City Elementary School District
9. San Bruno Park Elementary School District
10. San Carlos Elementary School District
11. San Mateo County Superintendent of Schools
12. San Mateo Union High School District
13. Woodside Elementary School District