

**WASHINGTON PUBLIC DEPOSIT PROTECTION COMMISSION
OLYMPIA, WASHINGTON**

RESOLUTION NO. 2009-1

WHEREAS, significant stress in the global financial industry and worsening national and international economic conditions are affecting the state's financial institutions and local governments. This commission's purpose is to oversee the Public Deposit Protection Commission (PDPC) member institutions in a way that fulfills its statutory purpose to protect public deposits should a loss occur. This commission must adopt more up to date policies and procedures to best protect public deposits mindful of the challenges that come when large institutions like Washington Mutual, and smaller ones such as Bank of Clark County encounter difficulties; and

WHEREAS, this commission is committed to act in a forward looking manner so that assessments on participating public depositaries can be avoided to the greatest extent possible. Thus, in response to the exigent circumstances stemming from national and international economic and financial conditions, and based on the authority granted by law to this commission;

NOW THEREFORE BE IT RESOLVED that all public depositaries shall by June 30, 2009, take all measures necessary to fully collateralize its uninsured public deposits at 100%.

As determined by reports provided to the commission, a public depositary that cannot make due progress toward collateralizing its uninsured deposits at 100% by June 30, 2009, shall stop accepting new public deposits in uninsured accounts.

In the event a public depositary ceases to participate in the PDPC it shall disgorge all public funds in an orderly, lawful and businesslike manner upon notification of disqualification.

The Office of the State Treasurer shall be delegated the authority necessary to carry out this resolution.

BE IT FURTHER RESOLVED that legislation has been introduced at the request of the State Treasurer for consideration by the 2009 Legislature to modernize and improve the laws pertaining to public deposit protection to address the shared concerns of this commission, the Department of Financial Institutions, public depositors, and the banking industry regarding implementation of the PDPC's collateralization and assessment requirements and procedures.

The PDPC urges the Legislature to pass the proposed legislation now under consideration by both the House and Senate, as has been jointly developed by the Office of the State Treasurer and the Department of Financial Institutions with significant input from the financial community.

The PDPC further urges the House and Senate to each incorporate this resolution into the legislative record to be kept in association with this legislation.

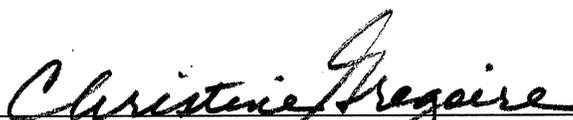
IN ACCORDANCE WITH THE PROVISIONS of Chapter 39.58 RCW and Chapter 389-12 WAC, this Commission does hereby grant to the Office of the State Treasurer the authority to carry out the terms of this Resolution and that this Resolution shall become effective February 18, 2009.

ADOPTED at an open meeting of the Washington Public Deposit Protection Commission at Olympia, Washington, after notice thereof duly and regularly given as required by law, this eighteenth day of February, 2009.

STATE OF WASHINGTON
PUBLIC DEPOSIT PROTECTION COMMISSION



STATE TREASURER JAMES L. MCINTIRE, CHAIRMAN



GOVERNOR CHRISTINE O. GREGOIRE, MEMBER



LIEUTENANT GOVERNOR BRAD OWEN, MEMBER

ATTEST:



NANCY ADAMS, ADMINISTRATOR
PUBLIC DEPOSIT PROTECTION COMMISSION