

Representative Charlene Lima

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RE: 38 STUDIOS BOND SALE

Press release of Representative Charlene Lima, 14th District
Cranston. For immediate release. Any questions please call 946-5707.

Calling it a perfect example of the special interest deals for the politically well-connected at the expense of the working man and women of Rhode Island Representative Lima announced today that she is sending a letter and email to the EDC Chairman Keith Stokes, Governor Carcieri, General Treasurer Caprio, Attorney General Lynch, gubernatorial candidate Linc Chafee, Speaker Fox and Cranston Majority Leader Mattiello asking that they join her in demanding that EDC immediately make amendments to the 38 Studio's proposal so that the average Rhode Island citizen will have the same financial opportunity to make 8% or more on their savings without any risk. If EDC insists on going through with the ill advised and potential \$75 Million Dollar folly using taxpayer's money they must make the bonds available to the average Rhode Islander and not only the wealthy and well connected.

I ask them to join me in condemning EDC'S plan to sell the bonds paying upwards of 8% interest to only "*select investors and institutions*" and in amounts that the average guy cannot afford to invest. Rhode Island taxpayers will be on the hook for the payment of these investor bonds if 38 Studios goes belly-up as is a very real possibility. I think it is absurd and unconscionable the EDC is asking the taxpayers to bear all the risk without being able to share in the potential 8% special interest bearing windfall. The average Rhode Islander, who has money to save, is making at the most about 1 to 2% return on their savings.

Now EDC wants not only to put \$75 million dollars of taxpayer money in dire jeopardy but EDC also wants to eliminate the very taxpayers who they are asking to bear the risk from having the same opportunity to make upwards of 8% interest by purchasing these state guaranteed bonds.

Who will stand to gain over 8% on their investment virtually risk-free? The same special interest and politically well-connected investors and institutions that have been getting rich with help from their politically connected friends at the State House, the big banks and the wealthy political contributors.

Why shouldn't the average Rhode Island taxpayer have the same opportunity to invest some of their savings and receive upwards of 8% interest, virtually risk free? If the bonds were sold to the average citizen the politically connected rich investors and institutions would not be in the mood to compensate those in power for their special interest insider 8% return on the taxpayer guaranteed state investor bonds. Pay to play at taxpayer expense once again.

I am calling on all the elected officials named above, as well as any other candidate or present office holder, to join me in demanding that if bonds are sold by the

EDC to finance the 38 Studios folly that they be structured in a way that they will first be available to the average Rhode Islander in amounts starting as low as \$5000. This way the taxpayers who are bearing the risk if 38 Studio fails will be able to earn upwards of 8% interest on their investment as opposed to the wealthy and politically connected investors and institutions.

Additionally I am calling on the leadership in the House as well as every rank and file legislator to immediately disclose any business relationship that they have either personally or in their respective law office or other business entity with any owner, agent, business associate or investor of 38 Studios. This should also include any secondary or referral consulting or fee arrangement concerning law work, title work, real estate commission fees or other fees already generated by the 38 Studio's up to this point and any potential fee arrangements and secondary referrals contemplated if the 38 Studio deal is completed as is presently anticipated.

The 38 Studio's deal is not a very wise investment for Rhode Island taxpayers. But if EDC plans to finalize the deal then the very least we as elected officials can do is demand that the average Rhode Islander has the same opportunity to make 8% on their investments as the wealthy and politically well connected. Hopefully I will have many candidates and present office holders joining me in my fight for the public's interest over special interests.