



May 2, 2011

Vicki Crow, C.P.A.
Auditor-Controller / Treasurer-Tax Collector
Hall of Records
2281 Tulare Street, Room 105
Fresno, CA 93721

Subject: SJVIA Check Returns

Ms. Vicki Crow,

We are writing this letter to address the events that took place between the San Joaquin Valley Insurance Authority ("SJVIA") and JP Morgan Chase & Co ("Chase") on November 17, 2010. On that day, Chase conducted a system test on our Positive Pay Platform. During the routine system test, a number of checks were inadvertently returned in error. Unfortunately, a number of these returned items were drawn against a SJVIA account, which had sufficient funding to cover the related items.

We understand that this error created additional work for your staff and caused confusion and concern amongst your vendors and clients. We would like to offer our sincere apology for causing this situation. Further, we will gladly reimburse you and your vendors for any direct fees (returned check fees, late fees or insufficient funds charges) that may have been caused by the returned items. To assist, please send us a comprehensive list of any related fees and supporting information that is currently outstanding.

To resolve this matter, we worked closely with Stephen Farmer to review and discuss the details of this isolated situation, and feel confident that we have put the appropriate protocols in place to ensure that this does not happen in the future. We value your business and we look forward to working with you to bring this matter to a close. Please don't hesitate to contact me directly with any additional questions or concerns.

Best Regards,

A handwritten signature in blue ink, appearing to read "Jeremy West", written over a light blue circular stamp.

Jeremy West, Area Manager

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