

**Attention Texas College Savings Plan and LoneStar 529 Plan Participants.
You May Be Entitled to a Settlement Payment**

After months of review and negotiations between the State and the Plan Manager, OFI Private Investments Inc. (“OFIPI”) and OFIPI’s affiliate, OppenheimerFunds, Inc. (“OFI”), we are pleased to inform you that an agreement and substantial settlement of \$12.43 million has been reached for plan participants who invested in portfolios with exposure to the Oppenheimer Core Bond Fund. The settlement ends an investigation that began after the Texas Prepaid Higher Education Tuition Board (Board) raised questions about some of the particular investments of the Texas College Savings Plan and LoneStar 529 Plan (the “Plans”). OFIPI and OFI deny any wrongdoing, and continue to manage the Plans. The Board believes the settlement is in the best interests of the plan participants and will provide timely compensation.

An independent administrator, Rust Consulting, Inc., will distribute the settlement funds to current and former accounts in the Plans that had net losses of \$5.00 or more determined by a calculation based solely on investments in Core Bond Fund from January 1, 2008 to March 2, 2009. The funds will be distributed in proportion to those losses. A small portion of the settlement funds will reimburse the State for part of its legal expenses incurred in connection with the review and resolution of this matter.

If you are eligible to receive settlement proceeds, information and instructions on how to participate in the settlement will be mailed to you by June 2010. Please watch for a mailing from Rust Consulting during June 2010. There is no need for you take any action at this time. If you have any questions about the settlement, please contact the settlement administrator at 1-877-465-4527 or visit www.tx-edsettlement.com.

The State is committed to helping Texas residents save for college and continues to work closely with the plan managers to further enhance the investment offerings and product features of the Plans.