



March 17, 2016


Reminder

**Reorganization of
Franklin California Tax-Exempt Money Fund**

On February 26, 2016, shareholders approved the reorganization of the **Franklin California Tax-Exempt Money Fund** (the "Fund") into the **Franklin California Ultra-Short Tax-Free Income Fund**, scheduled to be effective at the close of market on **March 18, 2016** (merger date). It is important to note that the new Franklin California Ultra-Short Tax-Free Income Fund will not offer check writing privileges.

The Fund closed to all investments at the close of market March 11, 2016, shortly before the anticipated completion of the reorganization at the close of market on **March 18, 2016**. You or your client(s) may choose to exchange their holdings in the Fund for an investment in another open Franklin Templeton fund prior to the merger date. Class A shares of the Fund are expected to be exchanged for shares of Franklin California Ultra-Short Tax-Free Income Fund, share class A1. Shareholders should then receive a copy of the Franklin California Ultra-Short Tax-Free Income Fund prospectus with their new account statement.

Fund Name	Share Class	Fund #	CUSIP	NASDAQ
Franklin California Tax-Exempt Money Fund	A	125	352 519 201	FCLXX

Fund Name	Share Class	Fund #	CUSIP	NASDAQ	Previous Communication
Franklin California Ultra-Short Tax-Free Income Fund	A1	925	352 519 870	FCUAX	 02112016.docx
Franklin California Ultra-Short Tax-Free Income Fund	Advisor	955	352 519 862	FCUZX	

Operational Details

Operational information regarding the fund reorganization is provided below. If you have questions that are not addressed in this notification, please contact your Dedicated Service Team.

- If your firm requires a final listing of all merged account numbers, please contact your dedicated service team.
- The fund reorganization is a nontaxable event.
- Trades placed on or after March 16, 2016 with a T+1 next day settlement indicator will follow normal NSCC processing rules. Dedicated Service Teams will contact firms regarding trades that have been placed, but have not settled on March 21, 2016, to coordinate proper handling of the trades.
- The Franklin California Tax-Exempt Money Fund will not have a final distribution prior to the merger effective date as the fund has been at a zero factor and dividends are not accruing.
- The merger is being processed on **March 21, 2016** as of **March 18, 2016**. Merger activity will be transmitted in the F55 activity file that will be transmitted around 5:00 am EST on **March 22, 2016**.
 - Shares moving from the Franklin California Tax-Exempt Money Fund as part of the reorganization will be processed as an exchange with a literal translation of "Fund Merger Out/Non-taxable" using a four digit NAV methodology. Fund reorganization activity will be included in the NSCC F55 networking activity record with the transaction type code of W0.
 - Shares moving into the Franklin California Ultra-Short Tax-Free Income Fund as part of the reorganization will be processed as an exchange with a literal translation of "Fund Merger In/Non-taxable" using a two digit NAV calculation methodology. Fund reorganization activity will be included in the NSCC F55 networking activity record with the transaction type code of W0.

Franklin Templeton Investor Services, LLC.
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If you have questions, please contact your Dedicated Service Team at 1-800/266-6768.

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