

Broker/Dealer Selection

Only Primary Dealers or subsidiaries of Primaries are considered eligible to trade with the County. Primary Dealers are those authorized to enter into Re-purchase and Reverse Repurchase Agreements with the Federal Reserve. Authorized dealers can be added or deleted only with the Treasurer's approval. Dealers are selected on the basis of creditworthiness, capital adequacy, availability of investment inventory, and experience in trading in authorized investments. Firms utilized for money market mutual funds must either attain the highest ranking or the highest letter and numerical rating provide by not less than two of the three largest nationally recognized rating services (Moody's, Standard & Poors, or Fitch) OR have retained an investment adviser registered with the Securities and Exchange Commission with not less than five years experience investing in the securities and obligation as authorized in G.C. 53635 and have assets under management in excess of five hundred million dollars (\$500,000,000).

All financial institutions and broker/dealers who desire to become qualified firms for the Kings County Treasurer investment transaction must supply the audited financial statements, proof of National Association of Securities Dealers (NASD) certification, proof of State registration, completed broker/dealer questionnaire, and certification to having read the Kings County Investment Policy.

Dealer Selection

A copy of the County's Investment Policy, including this section, will be delivered to those firms and persons dealing with the County, along with a receipt for the same. It will acknowledge delivery of the Policy and that the parties covering the account, including back-up and management staff, have reviewed its content. It places no liability upon the salesperson or the firm for its enforcement. Its purpose is to assure all parties that the salesperson possesses a copy of Government Code Section 53635 and any further restrictions imposed by the County, as well as delivery instructions for trade settlement. Should a salesperson fail to sign and return the receipt within thirty days, trading with that firm will be suspended until the receipt is returned.

Under no circumstances will a trading counter-party retain custody of any securities owned by the County. ALL TRADES WILL BE DELIVERY VERSUS PAYMENT (DVP) THROUGH THE COUNTY'S CUSTODIAN.

BROKERS, BROKERAGES, DEALERS, OR SECURITIES FIRMS SELECTED TO DO BUSINESS WITH THE COUNTY ARE PROHIBITED FROM MAKING POLITICAL CONTRIBUTIONS OF ANY KIND TO THE TREASURER-TAX COLLECTOR, ANY MEMBER OF THE COUNTY BOARD OF SUPERVISORS, ANY MEMBER OF THE COUNTY INVESTMENT OVERSIGHT COMMITTEE, OR ANY CANDIDATE FOR THE ABOVE POSITIONS.