

COUNTY OF ORANGE

OFFICE OF THE COUNTY TREASURER
SHARI L. FREIDENRICH, TREASURER-TAX COLLECTOR



BROKER-DEALER APPLICATION

BROKER:

Section I: STATEMENT OF POSITION AND GENERAL REQUIREMENTS

The County of Orange Treasurer-Tax Collector will annually review the financial condition, services provided, and registration of broker-dealers that are authorized to provide financial services to the County in order to determine whether these broker-dealers should remain on the County’s “Approved Provider List.” In addition, the County may periodically solicit requests from brokers not on the approved list to apply for consideration and also receives unsolicited requests for broker-dealers to be considered for approval.

As part of this process, the County also provides each broker-dealer with a copy of the County’s most current “Investment Policy Statement” and a certification form. Each broker-dealer is required to complete and submit the certification form as proof that it has received the County’s “Investment Policy Statement,” read it, and intends to comply with it.

Section II: APPLICATION REQUIRED DOCUMENTATION

The County must receive the following documents from each prospective only broker-dealer and annually from each approved broker-dealer within 60 days of year-end:

- ✓ A completed Broker-Dealer Application (prospective only)
- ✓ A copy of the firm’s most recent audited Annual Report
- ✓ A copy of the firm’s current Form BD Status Report
- ✓ A copy of wiring and delivering instructions
- ✓ MSRB Rule G-37 filing for the past 48 months

Also, in the case of a regional broker:

- ✓ A copy of the firm’s most recent SEC Form X-17 A-5 “Focus Report” (in the case of a non-bank) or most recent Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices – FFIEC 031 (in the case of a bank)

These documents may be delivered in person, by mail, or by courier to:

Mailing Address:

County of Orange
Attn: Treasurer-Tax Collector
Post Office Box 4515
Santa Ana, California 92702-4515

Physical Address:

County of Orange
625 N. Ross Street
Hall of Finance, Building 11, Room G-58
Santa Ana, California 92701

If a currently authorized broker-dealer fails to submit the above-referenced documents by the specified deadline, then the County may suspend all business dealings with that broker-dealer, and may elect to terminate its business relationship with the broker-dealer.

If you have any questions about this application, please contact Shari Freidenrich at (714) 834-7625.

13. Do you participate in the SIPC Insurance program? If not, please explain.

14. Which of the following instruments does your local desk offer regularly?

- T-Bills Treasury Notes/Bonds Discount Notes NCD'S
- Agencies (specify) _____
- BA's (Domestic) BA's (Foreign) Commercial Paper Mid-Term Notes

15. Which of the above does your Firm specialize in Marketing?

16. Please identify your most directly comparable Local Agency clients in our geographical area.

<u>Entity</u>	<u>Contact Person</u>	<u>Telephone No.</u>	<u>Client Since</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

17. What reports, transactions, confirmation and paper trail would we receive?

18. Please include samples of research reports or market information that your firm regularly provides to local agency clients. Please include what types of communication or method of delivery (i.e., e-mail, FAX). Please include any other services that you offer that we may be interested in.

19. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors?

20. Has your firm been subject to any litigation, arbitration, or regulatory proceedings, either pending, adjudicated, or settled within the last 12 months, that involved allegations of improper, fraudulent, disreputable, or unfair activities related to the sale of securities to or the purchase of securities from institutional clients? (check one)

- Yes No If "yes", please describe each matter briefly.

21. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors?

22. Attach certified documentation of your capital adequacy and financial solvency. In addition, an audited financial statement must be provided within 120 days of your fiscal year-end.

23. Please indicate a percentage breakdown of your client base by portfolio size.

24. Have any of your firm's public sector clients ever sustained a loss on a securities transaction or loss of principal arising from a misunderstanding or misrepresentation of the risk characteristics of a financial instrument that was recommended by and purchased through your firm? (check one)

Yes No If "yes", please describe each matter briefly.

25. Have any of your firm's public sector clients claimed, in writing, within the last five years, that your firm was responsible for any investment losses? (check one)

Yes No If "yes", please describe each matter briefly.

26. Is the Primary Member, or other member in the local office, an Associate member of the following:

<u>Yes</u>	<u>No</u>	<u>Organization</u>	<u>How Long</u>	<u>Member Name</u>
<input type="checkbox"/>	<input type="checkbox"/>	CMTA:		
<input type="checkbox"/>	<input type="checkbox"/>	APT of the US & Canada:	<hr/>	<hr/>
<input type="checkbox"/>	<input type="checkbox"/>	GIOA:	<hr/>	<hr/>
<input type="checkbox"/>	<input type="checkbox"/>	CACTTC:	<hr/>	<hr/>

27. What training would you provide for our employees and investment officers?

28. What portfolio information do you prefer from your clients?

29. No Broker/Dealer of security firm shall be selected who has, within any consecutive 48-month period, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer or any member of the Board of Supervisors or to any candidate for these offices. Please provide a current copy of your firm's MSRB Rule G-37 filing.

30. Does your firm meet the County minimum capitalization of \$10 million and five years of operation? (check one)

Yes No

Note: If you wish to provide more complete answers than space permits, please reference question numbers on an attachment.

Section III: CERTIFICATION (may be provided on a separate sheet, and we have provided sample language below)

We have received and read the Orange County current Investment Policy Statement. As of the date hereof, our firm meets the requirements as shown in section XI. Authorized Financial Dealers and Qualified Institutions of your Investment Policy Statement. All salespersons covering your account will be made aware of this Investment Policy Statement, and will be directed to give consideration to its provisions and constraints in selecting investment opportunities to present to the County of Orange.

NOTE: Completion of Application is only part of County's certification process and DOES NOT guarantee or imply that the applicant will be approved to do business with the County.

SIGNED: _____ NAME (print): _____

DATE: _____

COUNTERSIGNED: _____ NAME (print): _____

DATE: _____