



OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
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ADMINISTRATION

MEMORANDUM

CHANGES IN ELIGIBLE CREDITS

In the month of March, there were twenty six changes to the Treasurer's approved list of issuers.

The following was removed from the approved lists:

Alpine Securitization	ING Funding
Aspen Funding	Intesa Funding
Australia & New Zealand Banking	Kitty Hawk Funding Bank of
Nova Scotia	Lloyds TSB
Bank of Scotland PLC	Royal Bank of Scotland
Calyon North America	San Paolo IMI
Calyon NY	UBS Americas
Citibank NA	UBS AG Stamford
Commonwealth Bank Australia	UBS Finance
Edison Asset Securitization	Westpac Banking Corp
HBOS Treasury	Citigroup Funding Inc
ING Bank	Southern Company
ING America	HSBC Finance Corp.

Please refer to the attached TIC memos for further information.

The following table summarizes the remaining SIV holdings that have had, or are being considered for further rating actions.

Extended Fund	Security Type	Maturity Date	Market Value	% of Fund	ST Ratings, LT Ratings
WhistleJacket Capital LLC	MTN	N/A	32,572,634	1.21%	NR/NP, NR/B2
WhistleJacket Capital LLC	MTN	N/A	19,628,295	.73%	NR/NP, NR/B2
			52,200,929	1.94%	



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ADMINISTRATION

To: Treasury Investment Committee
From: Fahad Haider
Date: March 5, 2009

Subject: **Recommend removing:**
HSBC Finance Corp
A3/A/AA- A-1/P-1/F1+

Exposure: None

Summary:

HSBC provides the international banking and financial services. It has been down graded by moody's to A3. Thus, it falls outside the IPS requirement to qualify as an eligible company.

HSBC has been affected due to the global credit crisis and lack of liquidity. Moody's, who has down graded HSBC, provides the following 8 criteria in which HSBC has sign recent problem:

1. Franchise Value
2. Risk Positioning
3. Regulatory and Operating Environment
4. Profitability
5. Liquidity
6. Capital Adequacy
7. Efficiency
8. Asset Quality

Moody's Bank Financial Strength Ratings (BFSRs) represent Moody's opinion of a bank's intrinsic safety and soundness and, as such, exclude certain external credit risks and credit support elements that are addressed by Moody's Bank Deposit Ratings.

HSBC Finance Crop will be removed from the eligibility list until further favorable development.



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To: Treasury Investment Committee
From: Fahad Haider
Date: March 11, 2009

Subject: **Recommend removing:**
Citigroup Funding Inc
A/A3/A+ A-1/P-1/F1+

Exposure: County/Schools/JWA: None
X-Fund: \$100,000,000 (TLGP) 04/30/12

Summary:

Citigroup Funding Inc. senior debt rating was recently downgraded to A3 by Moody's due to the ongoing concerns about its liquidity situation. Moody's believe that Citigroup will come out of this current economic crisis with a relatively weaker presence in the U.S. banking industry. Its core business may also be change and the bank may have a new mix of businesses.

Due to the downgrade to A3, Citigroup Funding Inc. no longer meets the minimum rating criteria of Orange County Treasurer's Investment Policy Statement (IPS). Therefore it is being removed from the investment eligibility list.

However, the current actions taken by Moody's do not impact the FDIC-guaranteed debt issued by Citigroup Funding Inc. under the Temporary Liquidity Guarantee Program (TLGP). That debt remains rated AAA by all three rating agencies.

The Treasurer's Office owns \$100 million of the FDIC-guaranteed debt and will keep that specific issuer name on its eligibility list.



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To: Treasury Investment Committee
From: Fahad Haider
Date: March 11, 2009

Subject: **Recommend removing:**
Southern Company
A/A3/A A-1/P-1/F1

Exposure: None

Summary:

According to the new Investment Policy Statement (IPS) approved by the Board of Supervisors, the Orange County Treasurer's Office can no longer purchase securities from an issuer rated below "A".

Southern Company, which is rated A3 by Moody's rating agency, falls below the credit rating criteria of the IPS and therefore is being removed from the Treasurer's investment eligibility list.



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To: Treasury Investment Committee
From: Fahad Haider
Date: March 18, 2009

Subject: Banks and ABCP Issuers
Exposure: County/Schools/JWA/X-Fund: None

Recommend removing:

Alpine Securitization	ING Funding
Aspen Funding	Intesa Funding
Australia & New Zealand Banking	Kitty Hawk Funding
Bank of Nova Scotia	Lloyds TSB
Bank of Scotland PLC	Royal Bank of Scotland
Calyon North America	San Paolo IMI
Calyon NY	UBS Americas
Citibank NA	UBS AG Stamford
Commonwealth Bank Australia	UBS Finance
Edison Asset Securitization	Westpac Banking Corp
HBOS Treasury	
ING Bank	
ING America	

Summary:

Since the start of the financial market distress in August of 2008 we have taken a cautious approach in purchasing bank names and asset-backed commercial program.

We are recommending refining our conservative investing approach by reducing the list of financial names to limit our exposure only to names that are fundamentally strong and/or have implied support from their respective government.