

# COUNTY OF ORANGE

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



## BROKER-DEALER APPLICATION

BROKER-DEALER NAME:

## **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 (only during open application period)
- ✓ 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 (only new broker-dealers)
- ✓ MSRB Rule G-37 filing for the past 48 months
- ✓ Levine Act (Campaign Contribution Disclosure Form)

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  
Attn: Treasurer-Tax Collector  
601 North Ross Street  
CAS Mailroom  
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 until the form is received, and may elect to terminate its business relationship with the broker-dealer.*

If you have any questions about this application, please email questions to [ocinvestments@tc.ocgov.com](mailto:ocinvestments@tc.ocgov.com).

**Section II: APPLICATION FOR AUTHORIZED BROKER-DEALER**

1. Name of Firm \_\_\_\_\_ CRD# \_\_\_\_\_

2. Address \_\_\_\_\_  
(Local) (National Headquarters)  
\_\_\_\_\_  
\_\_\_\_\_

3. Has your firm operated under a different business name in the last 12 months? If so, please identify the name, date of the name change, and the reason for the name change.

4. Telephone No. \_\_\_\_\_  
(Local) (National Headquarters)

5. Primary Representative: \_\_\_\_\_ Manager/Partner-in-Charge  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_ Telephone No.: \_\_\_\_\_  
Fax No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
E-Mail: \_\_\_\_\_ E-Mail: \_\_\_\_\_  
No. of years in Institutional Sales: \_\_\_\_\_ No. of years in Institutional Sales: \_\_\_\_\_  
No. of years with firm: \_\_\_\_\_ No. of years with firm: \_\_\_\_\_  
CRD #: \_\_\_\_\_ CRD #: \_\_\_\_\_

6. Are you a Primary Dealer in U.S. Government Securities?  Yes  No

7. Are you a Regional Dealer in U.S. Government Securities?  Yes  No

8. If your firm **IS NOT** a primary dealer, has it consistently complied with the Federal Reserve Bank's capital adequacy guidelines over the last 12 months? (check one)

Yes  No

8a. Is your firm licensed to operate in California?

Yes  No

9. Are you a Broker instead of a Dealer, i.e. you **DO NOT** own positions of Securities?

Yes  No

10. What is the net capitalization of your Firm? \_\_\_\_\_

11. What is the date of your Fiscal Year-End? \_\_\_\_\_

12. Is your Firm owned by a Holding Company? If so, what is its name and net capitalization?  
\_\_\_\_\_

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?

- |  |   |   |   |
|--|---|---|---|
| <input type="checkbox"/> T-Bills         | <input type="checkbox"/> Treasury Notes/Bonds       | <input type="checkbox"/> Discount Notes   | <input type="checkbox"/> Negotiable CDs |
| <input type="checkbox"/> BA's (Domestic) | <input type="checkbox"/> Medium-Term Notes          | <input type="checkbox"/> Commercial Paper |   |
| <input type="checkbox"/> Supranationals  | <input type="checkbox"/> Agencies (list each) _____ |   |   |
- \_\_\_\_\_

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>
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17. What reports, transactions, confirmations, statements and other items would we receive (we only require monthly statements by mail and would ask to suppress printing and mailing of trade confirmations as we use Bloomberg for all trades and print the approved trade ticket)?

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, portal etc.). 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 on average your client dollar volume and number of trades.

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.

48. 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:	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	CACTTC:	_____	_____

49. 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. In addition, we will need you to complete the County's Campaign Contribution Disclosure (Levine Act) form.

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

Yes       No

31. If approved as a Broker/Dealer, the County would annually send your firm the Investment Policy Statement (IPS), are you willing to provide annual written confirmation of the IPS's receipt and to make the best efforts to distribute the IPS to your brokers who handle our accounts?

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 application 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: \_\_\_\_\_