OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
11 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ttc.ocgov.com

CHRISS W. STREET
TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

JENNIFER BURKHART, CFA
ASSISTANT TREASURER-TAX COLLECTOR

WALTER DANIELS
ASSISTANT TREASURER-TAX COLLECTOR
TAX COLLECTION

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

CHANGES IN ELIGIBILE CREDITS

In the month of July, there were eight changes to the Treasurer's approved list of issuers.

The following were removed from the approved lists:

1) Bank of the West
2) Fortis Bank
3) Wachovia Bank
4) Scaldis Capital LLC

The following were added to the approved lists:

5) Toronto Dominion
6) Credit Suisse
7) Orange County Transportation Authority

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
SIGMA FIN INC	MTN	10/30/2008	49,427,900.00	2.27%	A1+*-/P2*-, AA-*-/A3
SIGMA FIN INC	MTN	10/30/2008	24,713,950.00	1.14%	
			74,141,850.00	3.41%	
WHISTLEJACKET CAPITAL LLC	MTN	1/25/2009	43,198,400.00	1.99%	NR/NP, NR/B2
WHISTLEJACKET CAPITAL LLC	MTN	1/26/2009	25,919,040.00	1.19%	
			69,117,440.00	3.18%	

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
11 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ttc.ocgov.com

CHRISS W. STREET
TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

JENNIFER BURKHART, CFA
ASSISTANT TREASURER-TAX COLLECTOR

WALTER DANIELS
ASSISTANT TREASURER-TAX COLLECTOR
TAX COLLECTION

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: July 2, 2008

Subject: **Canadian Banks Update**
Recommend: **Add Toronto Dominion (AA-/Aaa/AA-, A-1+/P-1/F1+)**

Summary:
Canadian banks' strong performance during the first half of 2008 compares favorably to many of their US and European counterparts. The Canadian banks have benefited from a relatively limited exposure to US subprime related products. Domestically, the subprime market is only 5% of residential mortgages. Moreover, the major banks are not in the subprime business. We follow the "big six" banks who supplement interest income with fee income from such segments as trust, retail brokerage, insurance, mutual funds, trading and investment banking.

As we review such metrics as profitability, liquidity, capital, and asset quality, Toronto Dominion Bank (TD) stands out. TD's asset quality measures are substantially superior to its Canadian peers, and most large banks internationally. TD's acquisition of Commerce Bancorp suggests future write-downs; however, the merger is expected to improve US profitability long-term. TD's well-timed exit of its structured products businesses and lack of exposure to Canadian nonbank-sponsored ABCP supports its position. TD is well capitalized with a Tier 1 capital ratio of 9.1% on April 30, 2008.

Bank of Nova Scotia (BNS) and Royal Bank of Canada (RY) are also performing at the top of their peer-group. BNS' three business segments, Domestic Banking, International Banking, and Scotia Capital all posted solid profits. Gross impaired loans remained low. Tier 1 capital ratio stood at 9.6%.

Even as RY's revenue has meaningful exposure to US and International Banking, profitability remains quite strong. RY benefited from a relatively small exposure to US subprime issues. RY continues to maintain a comfortable cushion over their Tier 1 capital target. At the end of the second quarter, the Tier 1 capital ratio was 9.5%.

We view BNS, RY and TD as well diversified and among the best positioned to weather current market challenges. I recommend adding Toronto Dominion to the approved issuer lists.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
11 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ttc.ocgov.com

CHRISS W. STREET
TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

JENNIFER BURKHART, CFA
ASSISTANT TREASURER-TAX COLLECTOR

WALTER DANIELS
ASSISTANT TREASURER-TAX COLLECTOR
TAX COLLECTION

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

To: Treasury Investment Committee
From: Chriss Street, Treasurer-Tax Collector
Date: July 16, 2008

Subject: **Orange County Transportation Bonds (OCTA)**
Recommend: **Add OCTA**

Summary: Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2003-B1 and B2 are issued by the Orange County Transportation Authority and are fully supported by the Ambac Assurance Corporation, the insurer (Aa3/AA *-).

The bond has a mandatory put from the liquidity providers, J.P. Morgan Chase and Dexia Credit Local on November 12th, 2008.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
11 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ttc.ocgov.com

CHRISS W. STREET
TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

JENNIFER BURKHART, CFA
ASSISTANT TREASURER-TAX COLLECTOR

WALTER DANIELS
ASSISTANT TREASURER-TAX COLLECTOR
TAX COLLECTION

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

To: Treasury Investment Committee
From: Fahad Haider
Date: July 23, 2008

Subject: Wachovia downgraded by Fitch

After placing Wachovia Corp and its subsidiaries on watch negative last month Fitch Ratings downgraded the bank's issuer rating from AA- to A+ on the 22nd of July.

Wachovia reported a second quarter loss of $8.9 billion this week. The loss included a $6.1 billion charge tied to declining asset values.

Fitch stated in its report that it is concerned about the asset quality deterioration in Wachovia's mortgage portfolio. The rating agency also anticipates weaker then expected financial performance in the next few quarters.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
11 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ttc.ocgov.com

CHRISS W. STREET
TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
CHIEF ASSISTANT TREASURER-TAX COLLECTOR

JENNIFER BURKHART, CFA
ASSISTANT TREASURER-TAX COLLECTOR

WALTER DANIELS
ASSISTANT TREASURER-TAX COLLECTOR
TAX COLLECTION

ROBIN RUSSELL
ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

To: Treasury Investment Committee
From: Fahad Haider
Date: July 23, 2008

Subject: **Bank of the West** (A-1+/P-1/F1+, AA-/Aa3/AA)
Fortis Bank (A-1+ *-/P-1/F1+, AA- *-/Aa2/AA-)
- Scaldis Capital LLC (A-1+/P-1/F1+) – *ABCP Program*
Wachovia Bank (A-1+*-/P-1/F1+*-, AA-*-/Aa1*-/AA- *-)

Exposure:	County:	$14 million (0.79%)	Mat: 7/29/08
	Schools:	$56 million (3.06%)	Mat: 7/29/08
	JWA:	$2 million (3.88%)	Mat: 7/29/08

Recommend: Remove All of the Above Listed Names

Summary:

Banks continue to work their way through a very tough year. Most banks have reported large markdowns related to mortgage backed securities, commercial mortgage-backed securities, and leveraged loans. Capital has been added as increased reserves continue to negatively impact banks' profitability.

Profitability and asset quality of many banks have dropped but some of the banks have felt the pressure more than the others. Bank of the West, Fortis and Wachovia are three of the weakest banks on our eligibility list based on their underlying financials.

As we focus on those issuers best prepared to withstand such turbulent markets, we recommend removing Bank of the West, Fortis and Wachovia. We also recommend removing Scaldis Capital LLC, an ABCP program sponsored by Fortis Bank.