

The meeting was called to order at 1:30 p.m. in Room 213
Senator Thomas R. C. Wilson in the Chair.

PRESENT: Senator Thomas R.C. Wilson, Chairman
Senator Richard E. Blakemore, Vice Chairman
Senator Don Ashworth
Senator Clifford E. McCorkle
Senator Melvin D. Close
Senator C. Clifton Young
Senator William H. Hernstadt

ABSENT:

OTHERS Assemblyman Robert Weise

PRESENT: Heber Hardy, Chairman, Public Service Commission
Stan Colton, State Treasurer
James Wadhams, Director, Department of Commerce
Claude Dimmick, Deputy Legislative Auditor, LCB
Norman Okada, Commissioner of Credit Unions,
Department of Commerce
John Midole, Associated General Contractors
Jack Sheehan, Wine & Spirits Wholesalers of Nevada
Arthur Senini, Wine & Spirits Wholesalers of Nevada
Joe Midmore, Capital Beverages
Seal Watson, Southern Wine & Spirits Wholesalers of
Las Vegas and Sparks, also secretary-treasurer
Wine & Spirits Wholesalers of Nevada
Virgil Wedge, Skaggs Stores
Ben Akert, Ben's Discount Liquor Stores owner
Chuck Wagner
Collins Butler, Vice President, Nevada Savings & Loan Assoc.
Gene Milligan, Nevada Association of Realtors
Chuck Saladino, President, Board of Landscape Architecture,
Council of Landscape Architecture
Renny Ashleman, Nevada Mortgage Brokers
Rick Pugh, Executive Director, Nevada State Medical Assoc.
Dr. Joe Lipkey, member, State Dental Association

AB 717 Prohibits certain public utilities from charging
more than one fee for connecting to buildings with
multiple dwellings.

Mr. John Midole, Associated General Contractors, stated that he is
in support of this bill. He was concerned whether the term "multiple
dwelling units" would cover an office building. He suggested amend-
ing the bill by inserting the language "multiple occupancy." That
change would allow a large group of dwelling units or commercial
units to be master-metered. He stated that he would like to see
a commercial office building be master-metered if it was more
appropriate.

Senator Young asked where the bill came from. Mr. Midole stated that there are several large apartment projects in Reno who would have to pay several hundred-thousand dollars to run separate piping and metering. Senator Hernstadt remarked that he had been contacted by the southern Nevada contractors to urge that he support this bill.

Senator Wilson noted that this bill amends Chapter 704, which is the Public Service Commission chapter of general jurisdiction. He asked why it is necessary to accomplish this by statute rather than by regulation. Mr. Midole responded that it is the PSC who is requiring separate meters.

Mr. Heber Hardy, Chairman of the Public Service Commission, felt that this bill got its genesis when the Sierra Pacific Power Company applied for authority to establish water metering for commercial establishments, and in the last session of the legislature the prohibition against metering of commercial establishments was removed. As a part of that particular proceeding, the commission was presented with the idea that if there were a situation where water meters were permitted for individual units, it would be a serious problem of retrofitting multiple unit developments. It would be a lot less costly to prepare for water meter facilities at the time a project was put in, rather than retrofitting it at a later point. The commission did authorize the utility, upon their application, to make provision for water metering facilities. In these multiple unit developments, they began not putting in meters but making provisions for water metering facilities and provision for eventual metering of each individual unit. When this issue was presented to the commission and public hearings were held, the idea of conservation was very much in the minds of a lot of people, and to control conservation, it was felt that there ought to be separate meters for each individual residential dwelling unit. Since that time, it had come to his attention that there was a serious problem because there was an offsetting of energy savings by putting in a hot water circulating system throughout the entire complex. In that case, a part of the water would be furnished by the owner of the building.

Senator Wilson again questioned whether this situation would be better handled by regulation rather than by legislation. Mr. Hardy replied that in his opinion, it would be better handled by regulation.

Mr. Hardy also mentioned that he felt the bill as written could be interpreted to mean that there can not be a separate fee for each separate meter facility for each dwelling unit, they would pay only the one basic service charge for the whole complex. He referred to the language beginning on line 7: "but it shall not require separate fee." If the bill passes with that wording, it would mean that they would not pay for the water, only for the size of the service without water meters. Senator Wilson asked if metering would help. Mr. Hardy responded that they could meter by regulation or consider those complexes as commercial if this bill passes, but he felt that he could be "knocked out of the box" if it could be claimed to be for residential use.

Senator Hernstadt stated that he felt the bill was initiated out of a desire for conservation, but conservation would not work unless there was a way of knowing how much water is being used. He felt the legislature should not be involved in this procedure, but should allow the Public Service Commission to establish by rule and regulation whether water meters are proper or not.

Senator Young asked if the commission has the power to handle this function, and how long it would take to file and process. Mr. Hardy replied that he felt they do have the power, and it could probably be done in 90 days.

Senator Wilson closed the hearing on A.B. 717, but will reopen it later in the meeting.

AB 807 Restricts wholesale liquor dealers to their designated franchise areas.

Mr. Jack Sheehan, representing the Wine and Spirits Wholesalers of Nevada, testified in support of this bill. He explained that the purpose of this legislation is an extension of the franchise legislation which the legislature enacted in 1975. After the legislature determined that the wholesale liquor industry was in integral part of the economy of Nevada and particularly vulnerable from outside sources, they passed a statement of legislative policy contained in NRS 598.351, which states: "It is the policy of the legislature to insure the orderly distribution of marketing of alcoholic beverages in this state in order to protect locally owned and operated business enterprises, and those residents whose livelihood and investments are dependent on the freedom to manage their business without economic control, by non-resident suppliers of alcoholic beverages." This bill would specifically restrict a wholesaler from selling his franchise brand to a retailer outside of his franchise area without obtaining the consent of the supplier and the consent of the wholesaler who is franchised to serve the area in which the purchasing retailer is located.

Senator Wilson questioned whether it is good public policy to legislate the terms and conditions of a franchise agreement between supplier and wholesaler. Mr. Sheehan replied that the bill would have minimal effect on the agreement between the supplier and wholesaler. He felt this bill would prohibit what is already an existing problem in other states and a threat in Nevada.

Senator Young asked if it would be possible for the supplier to make a contract with the wholesaler that would insure that the wholesaler would sell merchandise in his franchised area. Mr. Sheehan replied that is possible, but they are reluctant to do so because of federal regulations that were imposed on them. Mr. Sheehan also noted that every wholesaler in the state is in favor of this bill.

Senator Close remarked that there is not much difference between restricting car dealers from operating outside a designated area and restricting liquor dealers. Mr. Sheehan responded that the liquor industry can not be compared to any other industry because it is a very mobile and fast moving one.

Senator Young then asked Mr. Sheehan if the real threat to the Nevada wholesalers was the out of state dealers. Mr. Sheehan said that this was the case.

Mr. Arthur Senini, Wine and Spirits Wholesalers of Nevada and Vice-President of Beacon Distributing Co., spoke in support of the bill. He stated that the bill addresses itself mainly to interstate wholesale dealings. He made clear the fact that the state does have jurisdiction over the distributing of distilled spirits. He reminded the committee that if a supplier wanted to sell liquor to more than one wholesaler in a given area, he would still be able to do so under this statute. Senator Close said that the bill only prevents those persons who hold a Nevada wholesalers license from selling liquor outside their franchised area. It does not prevent someone from out of state from coming in and selling liquor to whomever he pleases. Senator Young agreed with that fact and again said that the bill only applies to franchised wholesalers.

Senator Wilson closed the hearing on A.B. 807, but will reopen the subject at a later time in the meeting.

The hearing on A.B. 717 was reopened.

AB 717 Prohibits certain public utilities from charging more than one fee for connecting to buildings with multiple dwellings.

Assemblyman Bob Weise, Washoe District #23, stated that this bill had been amended in the Assembly to provide that the purveyors of water could not install more than one meter on a multiple dwelling unit without the consent of the owner. He said that as a result of a bill that had been passed in the last legislative session which allowed meters to be installed on commercial entities, the Public Service Commission ruled that Sierra Pacific Power had to install an individual meter for every apartment in an apartment complex. He felt that this was counter-productive to water conservation and energy conservation. Mr. Weise stated that he is a strong advocate of water meters, but he did not feel that it is practical to install individual meters in an apartment building.

Senator Wilson closed the hearing on A.B. 717, and reopened the hearing on A.B. 807.

AB 807 Restricts whole liquor dealers to their designated franchise areas.

Mr. Weise asked to make a statement on this bill. He stated that he was on the Commerce Committee in the Assembly, and he feels that some of the statements made previously in this meeting in support of the bill were misrepresentations. He stated that if he had a chance to vote again, he would not vote for the bill. He cited the statement made regarding a federal law precluding franchise agreements between manufacturers and wholesalers, which is not what was presented previously in this meeting. Contrary to what was stated in their meeting, the Assembly Commerce Committee members discovered that the bill does not affect the tax situation at all.

Mr. Weise felt that if the liquor industry could be protected by franchise than any industry could demand the same kind of legislation.

Mr. Joe Midmore, representing Capital Beverage Company, spoke in favor of this bill. He explained that the liquor industry is unique in that it deals with high taxes, a very mobile commodity, trucking and transportation, all of which would not be dealt with in another industry. He stated that he feels this legislation is worthwhile in that it protects the wholesaler's interest.

Mr. Seal Watson, Southern Wine and Spirits Wholesalers of Las Vegas and Sparks, and Secretary-Treasurer of the Wine and Spirits Wholesalers of Nevada, spoke in support of this bill. He stated that the bill does not effect the intra-state movement of liquor in Nevada, it has no effect on the retailers, and does not prevent agreements between dealers and suppliers. He felt that the real harm was in a dealer in Arkansas or Oklahoma coming into the state and buying liquor from a supplier who had a franchise agreement with a licensed Nevada wholesaler, and selling the liquor to retailers at a reduced mark up, thereby avoiding the tax.

Mr. Virgin H. Wedge, representing Skaggs stores and a practicing attorney in Reno, spoke in opposition to this bill. He felt that the bill was designed to curb competition in the liquor industry. He also felt that it would increase the price of liquor to the consumer, since a retailer could not "shop around" outside of his franchised area. He stated that the bill does indeed affect intra-state transportation, contrary to previous testimony. He also mentioned that he know of wholesalers in Las Vegas who opposed the bill. Senator Hernstadt asked him why they would oppose it. Mr. Wedge said that the wholesalers want to have the advantage of selling liquor to retailers throughout the state if for example they were overstocked and needed to sell quickly.

Mr. Ben Akert, owner of Ben's Discount Liquor stores, was opposed to the bill. He stated that he felt the bill would restrict trade and would harm his business because he would not be able to shop for the best deal.

Senator Wilson closed the hearing on A.B. 807. Senator Don Ashworth asked that the record reflect that he took no part in the discussion of this bill since he represents a distributor.

AB 818 Facilitates deposit of public money in savings
and loan associations.

Mr. Chuck Wagner made himself available to answer questions the committee members had raised at a previous meeting. He reminded the committee that legislation passed previously allows deposits of \$100,000 or more into savings and loans to be backed by government bonds. This bill would amend that legislation by providing that the amount be backed by mortgages as well. This would release millions of dollars into the home mortgage market.

Senator Wilson posed two questions having to do with the extend and nature of the state's security. The first question had to do with the reference to the assignment of the promissory note without recourse, and the other was a matter of going of record with a TD securing the promissory not so signed, that is, not going of record until it is in default. Mr. Wagner said that a promissory note is considered a negotiable instrument according to the UCC, and by virtue of that you can only perfect your security interest in it by possession. To record this with the county recorder would be of no consequence because the holder of that note has perfected his security interest as to everyone, and can negotiate that to the holder in due course, and they are also protected, irrespective of any recording of the actual assignment.

Mr. Wagner explained that in the event the promissory note must be collected on, it could be collected or sold. If the maker of the note defaulted, the next step would be foreclosure. The assignment would be filed and the property foreclosed on, so that is the only time the assignment has any effect. There was some further discussion on the necessity to file on the assignment.

Mr. Collins Butler, Vice President of Nevada Savings and Loan Association, testified in favor of the bill. He stated that whenever a savings and loan makes a real estate loan, there is a note assigned, a deed of trust recorded, and a title policy issued. The note and the deed of trust are of record. If this bill passes and allows loans backed by mortgages, if the borrower can not pay back the loan within the agreed amount of time, the assignment can be recorded at the state owns the deed of trust. Senator Hernstadt reminded Mr. Butler that during the late 60's, many savings and loans had negative net worths. He asked why the legislature should put the state in a position where they would be handling mortgages for servicing. Mr. Butler responded that this bill gives the savings and loans more liquidity, which would be good for the economy because it could be used for residential lending.

Senator Hernstadt asked Mr. Butler how the state treasurer was supposed to spend the mortgages if they were turned over to him. Mr. Butler felt that the likelihood of that happening was slim, but the state has the option of waiting out the term of the mortgage or selling it, and with a 2 to 1 ratio, the state would be in a pretty good position. Senator McCorkle asked if they could be sold at face value. Mr. Butler replied that if they are insured loans they can sell them, but not at face value. There was further discussion regarding the 2 to 1 ratio.

Mr. Wagner spoke again in regard to the question of the non-recourse requirement on the assignment of the notes. The federal regulations governing savings and loan forbid a savings and loan from pledging a note with recourse. Senator Wilson asked if the savings and loans would otherwise guarantee the state's deposit. Mr. Wagner replied that if there is a default, under Section 6, subsection 2 of the bill, the state can sue the savings and loan under the contract entered into by the depositor and the state. There was further discussion regarding the preclusion of the assignment of the note under the one-action rule, and foreclosure by default.

Mr. Butler asked the committee to consider amending the bill to provide that the owner-borrower is someone other than the original contractor who builds a house. This would prevent empty tract houses from being pledged as collateral. He also suggested that a cap be put on the institutions for these kinds of funds. At the time the deposit was made by the state, the total deposits of like nature for the institution could not exceed 5% of total savings.

Mr. Wagner then explained the forms the federal home loan bank uses, and explained some of the insurance provisions. Senator Young asked if \$100,000 was the highest amount the states savings could be insured for, and Mr. Wagner replied "yes." Senator Young then asked how much more interest the savings and loans could pay over a commercial bank. Mr. Wagner replied, "roughly 1/4 of 1 per cent." Senator McCorkle then put a series of proposals to Mr. Butler which dealt with the terms of the loans.

Mr. Stan Kolton, State Treasurer, was the next speaker. He suggested that the bill be amended on Page 2, line 32, where it presently reads: "the association shall." That language would mandate that the only kind of collateral that could be put up would be mortgages. He had several other suggested amendments which the committee discussed but took no action on at this time.

Mr. Kolton informed the committee that he had spoken with personnel of the state treasurer's office in Colorado, a state which is currently using mortgages and trust deeds for collateral, who remarked that it is the fastest way to get money on main street that they have found. The figures in Colorado show that the rate of interest return was an eighth better than it had been previously.

Mr. Norm Okada, Commerce Department and Commissioner of Credit Unions, was the next speaker. He stated that California has also shown an increase in interest since using mortgages and deeds of trust as collateral. California chose to allow this type of collateral, even though the loans are not insured by FHA or other well known bank systems, because they felt that they have a much larger base to work from. The basic difference between California's legislation and this bill is that California has a 150 percent collateral position as compared to Nevada's 200 percent. California's legislation did indeed put more money into the home market.

Senator Wilson closed the hearing on A.B. 818

SB 578 Changes certain fees collected by department of commerce.

Mr. Jim Wadhams, State Commerce Director, testified on this bill. He stated that if the committee was desirous of processing the bill, he had some suggested amendments for Sections 1 and 3.

Mr. Wadhams felt that most of the bill is contained in various parts of other Assembly bills, for instance, Section 2 is contained in A.B. 811, Section 4 is comparable to A.B. 793, Section 5 is contained in A.B. 712, Sections 6 and 9 are in A.B. 712, and Section 10 is in A.B. 723.

Mr. Gene Milligan, representing the Nevada Association of Realtors, testified in opposition to S.B. 578. He opposes the bill because he feels that the present real estate division has already taken steps to streamline their operation and save money, and they would like 2 years to do it by themselves without legislation. If after two years the operation is still not efficient, they would be happy to support fee changes through legislation.

Mr. Gil Buck, Nevada Association of Realtors, testified next. Senator Blakemore asked him how much money they were losing. Mr. Buck replied that the fee structure for the real estate industry was increased last session so they won'd be losing money, they just would not be remitting much to the general fund.

Mr. Claude Dimmick, Deputy Legislative Auditor, presented the committee with a copy of amendments proposed by his office. (See Exhibit B). He stated that the original language of the bill required the banking division to be operating out of a separate fund, which it has not done for years. They have been operating within an account in the general fund.

Senator Blakemore, Vice-Chairman, closed the hearing on S.B. 578.

AB 805 Increases number of members of board of landscape architecture necessary to constitute quorum and increases maximum amount of certain fees.

Mr. Chuck Saladino, President, Board of Landscape Architecture and representative of the Council of Landscape Architects, explained that the purpose of this bill is to increase the number of members necessary for a quorum from 2 to 3. The legislature added 2 members to the board in the 1977 session which increased the membership to 5, so the quorum should be raised to 3.

He explained that the bill also contains a much needed increase in the fee schedule for licensing due to the increase in the expense for the paperwork concerned. Senator Blakemore asked if their license renewals were annual or biennial, and Mr. Saladino replied they are annual. Senator Ashworth suggested they change to biennial, and Mr. Saladino agreed.

Senator Blakemore closed the hearing on A.B. 805.

AB 812 Increases license fees of thrift companies and abolishes requirement of refunding those fees if license is not granted.

Mr. Jim Wadhams, State Commerce Director, testified on this bill because the thrift companies are regulated by the Commerce Department. He had contacted all the licensees, and they all concurred in this licensing fee increase.

Senator Blakemore closed the hearing on A.B. 812.

AB 225 Removes prohibition of employment of minors in public dancehalls.

No one was present to testify on the bill, but the committee did briefly discuss the amendment of the original bill by the Assembly. Senator Ashworth questioned if there were still such a thing as "dancehalls."

Senator Blakemore closed the hearing on A.B. 225.

AB 712 Requires reasonable fees to be collected by superintendent of banks for making certain examinations.

Mr. Jim Wadhams, State Commerce Director, explained that the bill raises the fee structure for a variety of industries regulated by the superintendent of banks. Senator Close asked if the banks agree with this bill. Mr. Wadhams stated that the banks do agree, and so does he.

Senator Blakemore closed the hearing on A.B. 712.

AB 793 Extends scope of regulation of mortgage companies.

Mr. Jim Wadhams, State Commerce Director, testified on this bill. He said that mortgage companies are regulated by law. In lines 17 - 19 in this bill there is an exception that allows people to act as a mortgage broker, linking a person without money to a person who is willing to lend. He said that if this mortgage broker does not advertise, he would not be subject to regulation.

Mr. Renny Ashleman, representing the Nevada Mortgage Brokers, testified next. He asked the reason for the exemption in the law. Senator Close responded that the reason was that if a person did not advertise in the media, he should be able to loan money, secured by real property, without having to be licensed by a mortgage company. Mr. Ashleman stated that there are many types of regulations that people who are not advertising through the media have to abide by.

Senator Hernstadt made the comment that America is a free country, and if people want to make deals among themselves, they should be able to without regulations.

Senator Blakemore closed the hearing on A.B. 793.

AB 828 Prohibits practitioners of healing arts from charging for completion of certain insurance forms.

Mr. Rick Pugh, Executive Director of the State Medical Association, testified on this bill. He read from the Principles of Medical Ethics on the subject of charging to fill out insurance forms. He felt it is unethical to charge for filling out the initial form. Senator Hernstadt commented that under this bill charging for filling out the initial form was not required, but advised.

Dr. Joe Libke, a practicing dentist in the State of Nevada and a member of the State Dental Association, testified in favor of this bill. He stated that doctors should be able to charge a fee for a service performed. He distributed copies of two different insurance forms and demonstrated the time it requires to fill out the forms. (See Exhibit C). He mentioned that he has to hire extra help for the sole purpose of filling out the forms.

Senator Ashworth commented that if this bill is passed, doctors would have to raise prices in order to compensate, and the patients who do not use insurance would be unjustly penalized. Senator Close felt the charge would be a bonafide expense.

AB 792 Increases license renewal and filing fees of mortgage companies.

Mr. Jim Wadhams, State Commerce Director, testified in support of this bill. He stated that the bill was an attempt to bring the fees closer in line with the appropriation for the agency. This agency's budget is appropriated out of the general fund.

Mr. Wadhams explained that Mr. Goddard of the Commerce Department had pointed out to the Assembly Way and Means Committee some additional licensees that had come under his jurisdiction since the time the budget was prepared. The Way and Means Committee granted the agency a new examiner provided that they brought in additional fee income.

Senator Blakemore closed the hearing on A.B. 792.

SB 567 Provides exception to requirements concerning advance fees.

AB 753 Revises requirements for license as mortgage company.

Senator Blakemore advised the committee that these two bills will be heard together.

Mr. Renny Ashleman, Nevada Mortgage Association, testified on A.B. 753. He stated that the Department of Commerce, representatives of small loan companies, and the Mortgage Broker's Association, are in agreement on this bill, but there are some amendments which need to be added. Mr. Ashleman gave the committee members a copy of his proposed amendments. (See Exhibit D).

Mr. Ashleman stated that one problem they were experiencing was that some very poorly qualified individuals were entering the field. He felt that some of these people were giving poor advice to borrowers or lenders and thus giving the entire business a bad reputation. Senator Close remarked that the market place takes care of people who are not qualified. He said that to require that a person must have worked the last four of seven years in a managerial capacity is very restrictive and is designed to restrict competition.

Mr. Jim Wadhams, State Commerce Director, stated that the present language is not restrictive enough. The only thing that would disqualify a person under the present language would be a negative incident in his past, a felony conviction related to money, or something of that sort. Senator Hernstadt suggested that there be an examination used for qualification.

Mr. Joe Midmore, representing the Nevada Consumer Finance Association, testified on this bill. He gave the committee members a copy of his proposed amendments to the bill. (See Exhibit E). These amendments would provide that the broker's manager would have two years administrative experience.

Mr. Ashleman remarked that he felt the administrative experience was more valuable than passing an exam.

Senator Blakemore closed the hearings on A.B. 753 and S.B. 567.

Minutes of the Nevada State Legislature
Senate Committee on.....Commerce and Labor.....
Date:.....May 16, 1979.....
Page:.....12.....

There being no further business, the meeting was adjourned at
7:00 p.m.

Respectfully submitted,

Committee Secretary

APPROVED:

Thomas R.C. Wilson, Chairman





Federal Home
Loan Bank of
San Francisco

Exhibit A

John K. Darr
Vice President and Treasurer

February 2, 1978

Mr. William Latusky
First Western Savings
and Loan Association
P. O. Box 920
Las Vegas, Nevada 89101

Dear Mr. Latusky:

Enclosed with this letter is a copy of the paper you requested, "Collateralizing Public Deposits." The paper is intended to serve at least two purposes. It should be a comprehensive, general guide to assist you in following the steps necessary to collateralize deposits from the State of California or from local agencies. Also, if your association uses the Bank's securities safekeeping service or contemplates doing so, the paper should provide you with specific instructions for using the Bank to hold collateral for public funds on deposit at your association.

You might also be interested to know that, effective January 16, 1978, the Bank is prepared to hold mortgages as collateral for deposits from the State of California. If you have already executed a MARKETS Program Agreement that enables you to use the trade execution and safekeeping services of the Bank, you are well on your way toward being able to use this additional aspect of the safekeeping service. If you have not yet processed the MARKETS Program Agreement and supporting documents needed to qualify for these services, Exhibits 1-3 of this enclosure are provided for your review. Copies of these exhibits may be used to register for these services. However, full-sized copies of these forms and pricing information about these services may be obtained by calling Ms. Mary Jo Salvo, MARKETS Operations Representative, at (415) 393-1294.

The Bank intends to provide each association with a binder called Financial Services Manual in the near future. The binder will be similar to the Credit Program and Operations Manual that many members have found useful.

The enclosure has been printed and punched in a manner that will permit it to be included, as the first section, in such a manual. I hope you will retain and preserve these pages until your Financial Services Manual binder arrives.

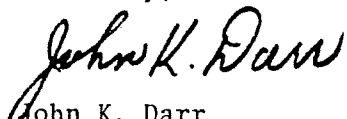
600 California Street
Post Office Box 7948
San Francisco, California 94120
Telephone 415-393-1301

1770

Mr. William Latusky
Page 2
February 2, 1978

While the subject of public funds may appear to be complex on the surface, particularly due to the number of forms required to establish the necessary relationships and arrangements to begin accepting public deposits, I think you will find the ongoing reporting requirements relatively easy. I hope that "Collateralizing Public Deposits" will be useful to you. If you have any questions about the paper, the exhibits, or public funds in general, please call Ms. Salvo, Mr. Richard J. Picket, Assistant Vice President and Assistant Treasurer, or me.

Sincerely,


John K. Darr
Vice President
and Treasurer

Enclosure

September 7, 1977
Bulletin No. 107

Public Unit Accounts

TO ALL DISTRICT ASSOCIATIONS:

The increased solicitation of public unit accounts by savings and loan associations in the Eleventh District apparently has led to some misstatements and possible confusion with regard to insurance coverage of such accounts by the Federal Savings and Loan Insurance Corporation. To ensure that accurate information is provided to public unit custodians, we request that the following excerpt from Section E of the Appendix to Part 564 of the Insurance Regulations be brought to the attention of all personnel involved in the solicitation or opening of such accounts.

PUBLIC UNIT ACCOUNTS

For insurance purposes, the official custodian of funds belonging to a public unit, rather than the public unit itself, is insured as the accountholder. All funds belonging to a public unit and invested by the same custodian in an insured institution in the same state as the public unit are added together and insured to the \$100,000 maximum, regardless of the number of accounts involved. If there is more than one official custodian for the same public unit, the funds invested by each custodian are separately insured up to \$100,000. If the same person is custodian of funds for more than one public unit, he is separately insured to \$100,000 with respect to the funds of each unit held by him in properly designated accounts. With regard to funds invested outside the state, the same principles apply but the coverage is limited to \$40,000. The maximum coverage for an official custodian of funds of the United States would be \$100,000.

For insurance purposes, a "political subdivision" is entitled to the same insurance coverage as any other public unit. "Political subdivision" includes any subdivision of a public unit or any principal department of such unit (1) the creation of which has been expressly authorized by state statute (2) to which some functions of government have been allocated by state statute and (3) to which funds have been allocated by statute or ordinance for its exclusive use and control.



Federal Home
Loan Bank of
San Francisco

600 California Street
Post Office Box 7948
San Francisco, California 94120
Telephone 415-393-1000

1772

Bulletin No. 107
Federal Home Loan Bank of San Francisco
Page 2

Further information on this subject may be found in the examples following the quoted material in the Insurance Regulations (pages 468-69 of the Federal Home Loan Bank Board's Annotated Manual).

If you have any questions with regard to insurance coverage on public unit accounts, please write or call Robert H. Hartline, Supervision Advisor for this Bank.

Sincerely,



Maurice Mann
President



Federal Home
Loan Bank of
San Francisco



Federal Home
Loan Bank of
San Francisco

Collateralizing Public Deposits

January 6, 1978

600 California Street
Post Office Box 7948
San Francisco, California 94120
Telephone 415-393-1000

Collateralizing Public Deposits

The basic procedures for members to follow in collateralizing deposits of California local agencies and of the State of California are contained in this paper. These procedures are written with the assumption that the collateral is to be held at the Federal Home Loan Bank of San Francisco (Bank) as Agent of Depository, though, of course, members may use any of the other institutions that are designated as depository agents. Members should refer to the Government Administrative Code of California for more complete information, including the list of securities eligible to be pledged as collateral. The California Savings and Loan League also provides detailed information about collateralizing public deposits.

Before the Bank may safekeep any securities, pledged for the purpose of collateralization or not, or execute any trades for members, three Bank documents must be completed. Each member received these forms when the Bank's MARKETS program was announced, and additional copies are available from the Bank. The three documents are:

1. "'MARKETS' Program Agreement" (see Exhibit 1) - This is a contract between the Bank and members defining the mutual obligations involved in safekeeping securities and executing trades. After signing the Agreement, a member can safekeep all or any part of its investment portfolio at the Bank, and may also have the Bank execute securities purchases or sales in its behalf, whether or not these securities are held at the Bank.
2. "Designation of Persons Authorized to Give Instructions Or Execute Documents" (see Exhibit 2) - On this form the member lists the employees from whom the Bank should accept instructions regarding securities in safekeeping and/or securities trades.
3. "Certified Resolution of Board of Directors" (see Exhibit 3) - This document, certified by the Association Secretary or Assistant Secretary, verifies that the member's board of directors has approved the execution of the MARKETS Program Agreement and the designation of persons authorized to give instructions or execute documents.

Local Agency Deposits

There are numerous local agencies in California--58 counties, scores of cities and towns, and hundreds of other municipal jurisdictions, such as water, school, and sanitation districts. The treasurer of a local agency may deposit funds with commercial banks or, since 1976, with savings and loan associations. These deposits are classified as active, if checks are drawable against them, or inactive (always the case for S&Ls) if they are for a fixed term. Members accepting local agency deposits must execute a number of documents, pledge adequate collateral, and file several periodic reports, as explained in the procedure set forth in this paper.

Administration of local agency deposits is the responsibility of the State's Secretary of Business and Transportation. The person to contact for information is:

Mr. James G. Updegraff
Deputy Administrator of Local Agency Security
555 Capitol Mall, Suite 250
Sacramento, California 95814

Phone: (916) 322-5963

The following is a summary of the procedures to be followed when a member accepts any local agency deposit:

- ✓ 1. Sign in triplicate a "Contract for Safekeeping of Securities Securing Deposits of a Local Agency" (see Exhibit 4), available from the Bank, and return the three originals to the Bank. This contract establishes the relationship between the member as Depository and the Bank as Agent of Depository. The Bank then executes the contract in triplicate and returns one copy of the contract to the member, forwards one copy to the Deputy Administrator of Local Agency Security in Sacramento, and retains the original. The Bank has made some minor wording changes in paragraph 2 and in sections 3 and 15 of the standard form distributed by the Cal League and the California Banker's Association. Look for the Bank's name in the lower left corner of the contract to verify that the appropriate form is being signed.
- ✓ 2. Return, along with the "Contract for Safekeeping of Securities," a signed "Resolution," which is a standard form also available from the Bank (see Exhibit 5). On it list the names, titles, and signatures of the persons authorized to execute contracts and to transfer collateral and of those authorized (a different set, officers only) to verify the public deposits. The Bank will make copies of this "Resolution," keep one, and forward one to the Local Agency Deputy Administrator. This "Resolution" should be updated by members as necessary.
- ✓ 3. Before bidding for a particular local agency's funds, execute in duplicate a "Contract for Deposit of Moneys" (see Exhibit 6) with the local treasurer. This contract, Cal League Form PD3, defines the contractual relationship between the member as depository and the local agency. As required, attach a copy of the Bank's signed "Agreement of Agent of Depository" (see Exhibit 7), which is the Bank's contract with the State and will be furnished to members by the Bank upon request.
- ✓ 4. Bid for the local agency deposits. Make sure that on or before the effective date of the deposit there is sufficient collateral (eligible securities with a market value of at least 110 percent of the total

deposits not covered by waivers) safekept at the Bank. A single collateral pool maintained at the Bank for a member can support as many different deposits from as many different local agencies as the member holds. State law prescribes that a member may not hold funds from any single local agency in excess of the member's net worth. In addition, state-chartered members may not hold total local agency deposits in excess of four times their net worth.

5. If the local treasurer is willing, have him sign a "Waiver of Security" (see Exhibit 8), Cal League Form PD5. This will allow the first \$100,000 of a public deposit, already insured by FSLIC, to be held uncollateralized.
6. Upon acceptance of the deposit, issue to the treasurer a "Receipt of Inactive Public Deposit" (see Exhibit 9), Cal League Form PD1, or, if acceptable, a passbook. Item 6 on the back of the Receipt, requiring a report to the treasurer of the daily balance of deposits, has been rescinded.
7. To add, withdraw (including at maturity), or substitute collateral, send a completed and signed "Collateral Transfer" form (see Exhibit 10), Cal League Form PD4, in triplicate to the Bank. The Bank will verify that the market value of the collateral pool is at least 110 percent of the total secured deposits as stated in the box titled "Statement of Local Agency Deposits" in the lower left corner of the form. In order for the "Collateral Transfer" form to be valid, it must be received by the Bank within five calendar days of the date that the local agency deposit balances were verified, i.e., the date on which the member's officers signed the "Statement of Local Agency Deposits."
8. Telephone the Bank's MARKETS Operations Representative at (415) 393-1296 to arrange for delivery of the securities to or from the Bank. No changes in the collateral pool may be made until the Bank receives a signed "Collateral Transfer" form from the member. After receipt or delivery of the securities, the Bank will send one signed copy of the "Collateral Transfer" form back to the member and one to the Deputy Administrator of Local Agency Security.
9. Members holding public deposits, whether they are collateralized or not, must send two reports, one weekly ("Weekly Report of Local Agency Deposits") and one quarterly ("Called Report of Local Agency Deposits"), to the Deputy Administrator of Local Agency Security.
 - a. The "Weekly Report of Local Agency Deposits" must be submitted each Tuesday, documenting information that is current as of the close of business the previous Wednesday. There is no printed form for this report and members should prepare it on their letterheads. The report must include the following information: name and address of depository; name of depository agent (Bank) holding the securities; total of local agency deposits; total of secured

local agency deposits; and total of unsecured local agency deposits that are covered by waivers of security. Two officers who are authorized to verify the amount of deposits must sign the report, which is then forwarded by the member to the Deputy Administrator.

- ✓ b. [Within 20 days from the end of each calendar quarter or when otherwise requested by the Administrator, members holding any local agency deposits must file a "Called Report of Local Agency Deposits." There is no printed form for this report and members should prepare it on their letterheads or attach cover letters to computer-generated printouts. The "Called Report of Local Agency Deposits" has two sections. First, list the amounts of the deposits from each local agency and the part of each deposit covered by waivers. In the second section, provide a description, including the par and current market values of all securities pledged against local agency deposits (the Bank's "Securities Held in Safekeeping Report," mailed monthly to members, may be attached to the "Called Report" for this purpose). [The total market value of the pledged securities must be at least 110 percent of the total deposits not covered by waivers.] This report must be signed by two officers who are authorized to verify the amount of deposit. The "Called Report" is then forwarded to the Bank for its verification of the information, and the Bank will then forward the report to the Administrator.

A fine of \$100 a day can be levied by the Administrator for failure to file either report on time.

State of California Deposits

The State of California also deposits funds in commercial banks and in savings and loan associations. The amount of these funds varies seasonally, but is generally several billion dollars. Administration of State deposits is the responsibility of the State Treasurer, completely separate from the Administrator of Local Agency Security, so different forms and procedures are applicable as outlined below. In January 1978, the State began accepting promissory notes secured by mortgages on California residential property as collateral for deposits.

✓ The person to contact for information on State deposits is:

Mr. Donald R. Moore
Chief, Trust Services Division
Office of the Treasurer
Post Office Box 1919
Sacramento, California 95809

Phone: (916) 445-7290

The following is a summary of procedures to be followed when a member accepts State deposits:

1. Sign in triplicate an "Agreement for Time Deposit with the Treasurer of the State of California" (see Exhibit 11). This agreement, somewhat comparable to the "Contract for Deposit of Moneys" for local agency deposits, establishes the terms covering deposits from the State. If the member has not yet accepted a State deposit, the bottom portion of the agreement requiring a list of the collateral may be left blank. Copies of this agreement are available from the State of California and should be returned directly to the State.
2. Attached to the agreement when returned to the State should be a signed copy of a "Resolution" of the member's board of directors (see Exhibit 12). This "Resolution" is also available from the State.
3. The third document, also available from the State, is a fair lending certificate (see Exhibit 13). The member should sign and return one copy of the certificate to the State.
4. If the member intends to pledge mortgages as collateral, a "Resolution Authorizing Power of Attorney" (see Exhibit 14) and a "Power of Attorney" (see Exhibit 15) should be executed to simplify the collateralization process. Otherwise, individual notes need to be endorsed and deeds of trust assigned to the State. The completed "Assignment of Mortgages or Deeds of Trust" form (see Exhibit 16) must accompany all additions of mortgages to the collateral pool unless the power of attorney is executed.
5. If using the Bank safekeeping service, obtain from the Bank and sign in triplicate an "Agreement for Safekeeping of Securities to Secure Deposits of Funds of the State of California with Member Association of Federal Home Loan Bank of San Francisco" (see Exhibit 17). This is a three-party contract between the member, the Bank, and the State of California regarding the collateral supporting State deposits. Mail all three copies of the agreement to the Bank, and a signed copy will be returned to the member.
6. Contact the State Treasurer's office to bid for State funds. The State will now make deposits with terms as long as six years.
7. Call the Bank's MARKETS Operations Representative before the effective date of the deposit to arrange for delivery of the collateral, or transfer of collateral from a free to a pledged status. If mortgages are pledged, their unpaid principal balance must always be at least 150 percent of the total State deposits above \$100,000. If other eligible securities are pledged, their market value must equal or exceed 110 percent of the deposits in excess of \$100,000.

8. Upon confirmation by the Bank that sufficient collateral is present, the State will release the funds to the member. In return, the member gives the State a signed "Certificate of Deposit of State Funds" (see Exhibit 18). This form is available from the State.
9. To add, withdraw, or exchange mortgages as collateral, prepare in duplicate and send to the State a "Request to Deposit, Withdraw, or Substitute Collateral" (see Exhibit 19). To add, withdraw, or exchange other eligible securities as collateral, complete in duplicate an "Application for Deposit, Substitution or Withdrawal of Bonds to Secure State Deposits" (see Exhibit 20). Upon receipt of these forms, and after verifying that collateral remains sufficient, the State will authorize the Bank to accept or release the designated collateral. As with any other addition to or withdrawal from safekeeping, the member must inform the MARKETS Operations Representative prior to the transaction.
10. Interest payments on time deposits will be paid by a member in accordance with the terms set forth in the "Agreement for Time Deposit with the Treasurer of the State of California" and at least semiannually. The State will send a multi-part form (see Exhibit 20) to the member prior to the interest due date, showing the interest owed. This form should be verified, completed by the member and returned with the interest check.
11. If mortgages are pledged as collateral, a "Quarterly Report of Mortgages Pledged as Collateral" (see Exhibit 21) must be sent to the State. If other eligible securities are pledged, no such report is needed. Members with State deposits will also be asked periodically to provide a statement of net worth.

Depository File # _____
Treasurer File # _____
Agent of Depository File # _____
Auditor # _____

CONTRACT FOR DEPOSIT OF MONEYS

THIS CONTRACT, relating to the deposit of moneys, made as of the _____ day of _____, 19____
between _____ (hereinafter designated "Treasurer") acting in his official capacity,
as _____ of _____
("Treasurer," "Finance Director," etc.)
(hereinafter designated "Depositor"), and _____ (hereinafter designated "Depository")
having a paid-up capital and surplus of _____ Dollars (\$ _____).

WITNESSETH:

WHEREAS, the Treasurer proposes to deposit in the Depository from time to time, commencing on _____, 19____
moneys in his custody in an aggregate amount on deposit at any one time not to exceed _____
Dollars (\$ _____), or the total of the paid-up capital and surplus of the Depository, whichever is the lesser amount, and said money
be deposited subject to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of
California; and

WHEREAS, said provisions of the Government Code require the Treasurer to enter into a contract with the Depository setting forth the conditions
upon which said moneys are deposited; and

WHEREAS, in the judgment of the Treasurer, this contract is to the public advantage;

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Depository relating to the method of handling and collateralization of deposits of moneys.
2. This contract, but not deposits then held hereunder, shall be subject to termination by the Treasurer or the Depository at any time upon 30 days written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule or regulation, state or federal, which, in the opinion of the Administrator of Local Agency Security, is inconsistent herewith, including any change relative to the payment of interest upon moneys so deposited by the Treasurer.
3. Interest shall accrue on any moneys so deposited as permitted by any act of the Congress of the United States or by any rule or regulation of any department or agency of the Federal Government adopted pursuant thereto. If interest may legally be paid, all moneys deposited in accordance with this contract shall bear interest at a rate agreed upon by the Treasurer and the Depository, but not less than 1/2 of 1% per annum on the average daily balance of such moneys kept on deposit with the Depository.
4. The Depository shall issue to the Treasurer at the time of each inactive deposit a receipt on a form agreed to by the Depository and the Treasurer, stating the interest to be paid, if any, the duration of the deposit, the frequency of interest payments, and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.
5. As security for said deposit, the Depository shall at all times maintain with the Agent of Depository named herein, commencing forthwith, eligible securities having a market value at least 10% in excess of the actual total amount of local agency moneys on deposit with the Depository. If any eligible security is determined by the Administrator of Local Agency Security of the State of California in accordance with Government Code Section 561 to be not qualified to secure public deposits, additional security shall be substituted immediately by the Depository, as necessary, to comply with requirements of this Paragraph.

6. Eligible securities are those listed in Government Code Section 53651.

7. The Agent of Depository, authorized by the Treasurer and the Depository to hold the eligible securities posted as collateral under this contract is _____
The Agent of Depository has filed with the Administrator of Local Agency Security of the State of California an agreement to comply in all respects with the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code. A copy of this agreement is attached hereto.

8. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of Depository, including placement with any Federal Reserve Banks or branches thereof, and the following banks, other than the Depository, located in cities designated as reserve cities by the Board of Governors of the Federal Reserve System:

9. If the Depository fails to pay all or part of any deposits of the Treasurer which are subject to this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator of Local Agency Security. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Treasurer is governed by Government Code Section 53665.

10. The Depository may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met.

11. The Depository shall have and hereby reserves the right to collect the interest on the securities, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government Code Section 53665.

12. The Depository shall bear and pay the expenses of transportation to and from the Treasurer's office of moneys so deposited and the expense of transportation of eligible securities maintained as collateral to and from the designated Agent of Depository. The Depository shall also handle, collect and pay all checks, drafts and other exchange without cost to Depositor.

13. This contract, the parties hereto, and all deposits governed by this contract shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53620) of the Government Code, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted or promulgated, all of which are by this reference made a part hereof.

IN WITNESS WHEREOF, the Treasurer in his official capacity has signed this contract in duplicate and the Depository has caused this contract to be executed in like number by its duly authorized officers.

TREASURER:

DEPOSITORY:

By _____

By _____

By _____

By _____

[CORPORATE SEAL]

FILED
August 2, 1977
Carl J. Schmitt
Administrator of Local Agency Security

By *James G. Updegraff*
James G. Updegraff
Deputy Administrator

AUG 4 1 09 PM '77

AGREEMENT OF AGENT OF DEPOSITORY

THIS AGREEMENT is made on August 2 19 77 by
Federal Home Loan Bank of San Francisco (hereinafter
(name)
referred to as "Bank") with the Administrator of Local Agency
Security of the State of California.

RECITALS

A. In this agreement:

1. "Local Agency Deposit Security Regulations" means Chapter 2, Division 4, Title 2 of the California Administrative Code, as effective July 1, 1970, and as the same or any provision thereof may be amended, added, or repealed.
2. Terms defined in the Local Agency Deposit Security Regulations shall have the meanings therein set forth.
3. Words in the singular number include the plural, and in the plural include the singular.
4. Words of the masculine gender include the feminine and neuter, and when the sense so indicates, words of the neuter gender may refer to any gender.

B. Bank intends to act as Agent of Depository.

NOW, THEREFORE, Bank agrees as follows:

1. Bank shall comply in all respects with the provisions of the Local Agency Deposit Security Law and the Local Agency Deposit Security Regulations.
2. Without prejudice to or limiting the provisions of the foregoing paragraph, Bank shall:
 - a: File with the Administrator such reports and other documents as may be required by the Local Agency Deposit Security Law, by the Local Agency Deposit Security Regulations, or by the Administrator pursuant to such Law or Regulations.
 - b. Accept, hold, pool, place for safekeeping, and release or otherwise dispose of each security which may be placed with it by a depository for the purpose of securing a secured local agency deposit in such manner as may be prescribed by the Local Agency Deposit Security Law, by the Local Agency Deposit Security Regulations, or by the Administrator pursuant to such Law or Regulations.
 - c. Comply with any instruction or order which may be issued by the Administrator pursuant to the Local Agency Deposit Security Law or the Local Agency Deposit Security Regulations.
 - d. Permit the Administrator, at such times as the Administrator may deem necessary, to verify securities which Bank holds for the purpose of securing a secured local agency deposit; and exhibit to the Administrator and permit him to inspect and copy such books, records, accounts, securities, and other documents in its custody or under its control which pertain to securities which Bank holds for the purpose of securing a secured local agency deposit.
3. No waiver by the Administrator of any failure of Bank to comply with any provision thereof shall be deemed a waiver of any failure to comply thereafter occurring.

IN WITNESS WHEREOF Bank has caused this agreement to be executed by its duly authorized officers as of the date first above written and filed with the Administrator.

Federal Home Loan Bank of San Francisco
(name)

By John K. Darr
(signature)

John K. Darr
(name of signatory)

Its Vice President and Treasurer
(title of signatory)

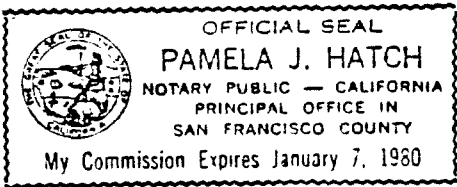
By Ella S. Dickinson
(signature)

Ella S. Dickinson
(name of signatory)

Its Assistant Secretary
(title of signatory)

STATE OF CALIFORNIA)
) ss
CITY AND COUNTY OF SAN FRANCISCO)

On August 2, 1977, before the undersigned, a Notary Public for the State of California, personally appeared John K. Darr and Ella S. Dickinson, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same.



Pamela J. Hatch
Notary Public

WAIVER OF SECURITY

TO WHOM IT MAY CONCERN

Pursuant to Section 53653 of the Local Agency Deposit Security Law, a treasurer may, at his discretion, waive security for such portions as are insured pursuant to Federal law.

WHEREAS, the Federal Deposit Insurance Corporation has increased to \$100,000.00 the maximum insurance for public accounts; and

WHEREAS, it is to the advantage of _____ Bank to increase the amount of its available collateral to secure the deposits of public accounts, and in so doing, without increasing the risk of the deposits of such public accounts;

NOW, THEREFORE, the authorized agent of _____ Bank, a public institution, hereby agrees to waive the security required by Section 53653 of the Local Agency Deposit Security Law by _____ Bank, the Depository Bank for up to \$100,000.00 of the deposits of the described public institution. As a condition to the granting of this Waiver of Security, it is understood that _____ Bank shall continue to maintain approved collateral security for all deposits in excess of \$100,000.00 per Section 53653 of the Local Agency Deposit Security Law.

I am authorized to waive security in the sum of \$100,000.00 for deposits held by _____ Bank.

Dated: _____

Local Agency: _____

By: _____

Title: _____

INSTRUCTIONS: THIS FORM MUST BE USED WITH REGULATION Q
NOTICE OF PENALTY FOR PAYMENT OF DEPOSITS
BEFORE MATURITY

Exhibit 9

RECEIPT OF INACTIVE PUBLIC DEPOSIT

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| DEPARTMENT | (NAME OF LOCAL AGENCY) |
| Date payable or date required (Specify which) | Date |
| \$ | Serial No. |
| Received of | Dollars |
| The deposit hereunder shall bear interest for the term of the deposit at a rate of _____% per annum to be paid and is subject to a deposit contract dated _____ | DEPOSITORY |
| SEE CONDITIONS OF DEPOSIT ON REVERSE | BRANCH |
| | AUTHORIZED SIGNATURE |

TREASURER'S ORIGINAL

COLLATERAL TRANSFER

Date: _____

From _____ (DEPOSITORY) To _____ (AGENT OF DEPOSITORY)

I. ADDITION OF SECURITIES.

Custody of the following securities is transferred by the undersigned Depository to you as Agent of Depository subject to the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California. This transfer is for the purpose of providing collateral for local agency deposits held by the undersigned Depository.

The securities listed are eligible securities defined in Government Code Section 53651 and have not been found unqualified to secure public deposits by the Administrator of Local Agency Security.

Table with columns: NO. OF BONDS, DESCRIPTION, BOND NUMBERS, INTEREST RATE, INTEREST DUE, DATE OF ISSUE, DATE OF MATURITY, FACE VALUE, PRESENT MARKET VALUE. Includes sub-totals and a total line.

Received as listed: _____ (DEPOSITORY)
By: _____ (AGENT OF DEPOSITORY) AUTHORIZED SIGNATURE
By: _____ AUTHORIZED SIGNATURE

II. WITHDRAWAL OF SECURITIES.

The securities listed below are presently in your custody as Agent of Depository for the purpose of providing collateral for local agency funds on deposit with the undersigned Depository in accordance with Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California.

You are requested to release the securities listed below to the undersigned Depository upon receipt of this withdrawal order properly completed.

We certify that local agency funds on deposit with the undersigned Depository are properly collateralized by securities having a market value at least ten percent in excess of the total amount of such deposits, notwithstanding the withdrawal of the securities here listed.

Table with columns: NO. OF BONDS, DESCRIPTION, BOND NUMBERS, INTEREST RATE, INTEREST DUE, DATE OF ISSUE, DATE OF MATURITY, FACE VALUE, PRESENT MARKET VALUE. Includes sub-totals and a total line.

STATEMENT OF LOCAL AGENCY DEPOSITS
Total local agency deposits in this Depository as of _____ were _____
I declare under penalty of perjury that the foregoing statement is true and correct.
Executed on _____ 19____ at _____ California.
By: _____
By: _____ (Two authorized signatures of bonded officers of the Depository, other than signature at right.)

By: _____ (DEPOSITORY) AUTHORIZED SIGNATURE
By: _____ AUTHORIZED SIGNATURE

Securities listed on this form may be placed in the custody of our authorized messenger whose specimen signature is: _____

By: _____ (DEPOSITORY) AUTHORIZED SIGNATURE

I. ADDITION OF SECURITIES. (continued from reverse)

| NO. OF BONDS | DESCRIPTION | BOND NUMBERS | INTEREST | | DATE OF ISSUE | DATE OF MATURITY | FACE VALUE | PRESENT MARKET VALUE |
|--------------|-------------|--------------|----------|-----|---------------|------------------|------------|----------------------|
| | | | RATE | DUE | | | | |
| | | | | | | | SUB TOTAL | \$ \$ |

II. WITHDRAWAL OF SECURITIES. (continued from reverse)

| NO. OF BONDS | DESCRIPTION | BOND NUMBERS | INTEREST | | DATE OF ISSUE | DATE OF MATURITY | FACE VALUE | PRESENT MARKET VALUE |
|--------------|-------------|--------------|----------|-----|---------------|------------------|------------|----------------------|
| | | | RATE | DUE | | | | |
| | | | | | | | SUB TOTAL | \$ \$ |

**AGREEMENT FOR TIME DEPOSIT WITH
THE TREASURER OF THE STATE OF CALIFORNIA**

THIS AGREEMENT, made in triplicate and entered into this _____ day of _____ by and between JESSI M. UNRUH, acting in his official capacity as Treasurer of the State of California (hereinafter designated as the "Treasurer"), and _____ a savings and loan association (hereinafter designated as the "Association"), having a net worth of \$ _____ as of _____

WITNESSETH:

WHEREAS, the Association has been selected by the Treasurer as a depository for the safekeeping of deposits of money belonging to or in the custody of the State of California under the control of the Treasurer, in accordance with the provisions of Chapter 4.5 of Part 2, Division 4, Title 2 of the Government Code of California, and all amendments thereto.

NOW, THEREFORE, it is mutually agreed by and between the Treasurer and the Association that:

FIRST: The Treasurer may deposit moneys with the Association in accordance with this agreement. Such deposit or deposits shall be evidenced by a certificate or certificates of deposit prepared by the Treasurer and approved by the Association as part of this contract, which shall specify the duration of such deposit or deposits and the rate or rates of interest thereon.

SECOND: The interest to be paid by the Association on said deposit or deposits shall be calculated for the exact number of days in the period on a 360-day basis, paid at least quarterly and upon the expiration of the certificate or certificates of deposit.

The amount of such interest shall be reported by the Association at the time of the payment of such interest, showing the balances or amounts of money of the State held by it during the period, and the amount of accrued interest thereon.

THIRD: The Association shall deposit with Treasurer and/or qualified trust company, and maintain at all times, as security for the moneys deposited under the provisions of the agreement, eligible securities having a total market value of 10 percent in excess of the total amount of all such deposits, or in the case of promissory notes, secured by a first mortgage or first trust deed, the value shall at all times be at least 50 percent in excess of the total amount deposited. The Association will be responsible for all costs of transportation and safekeeping of securities pledged to the Treasurer. Such securities or any part thereof may be withdrawn or released upon the written consent of the Treasurer, provided that a sufficient amount of such eligible collateral to secure said deposits shall be maintained by the Treasurer. If, in any case or at any time, the security deposited with the Treasurer is not deemed satisfactory by the Treasurer, he may require such additional security as may be satisfactory to him. The securities pledged subject to the terms of this agreement are described as follows or in the attached deposit form.

| NO OF BONDS | FULL DESCRIPTION OF BONDS <small>(Including County in which municipalities are located)</small> | BOND NUMBERS | MATURITY DATE | RATE | PAR VALUE |
|-------------|----------------------------------------------------------------------------------------------------|--------------|---------------|------|-----------|
| | | | | | |

FOURTH: That all State deposits accepted from the Treasurer by said Association shall not exceed the total of its net worth.

FIFTH: The Association may collect the interest on such securities except in cases where the securities are liable for sale or sold or converted as provided under paragraph "Sixth" of this agreement.

SIXTH: In the event that the Association should fail to pay such deposits or the interest, if any accrued thereon, or any part thereof upon demand of the Treasurer or upon presentation of the certificate of deposit properly endorsed, the Treasurer is hereby irrevocably authorized and empowered forthwith to recover upon or convert the securities, pledged by the Association as collateral for such deposits, into money and to disburse the same according to the law.

SEVENTH: This agreement is made and executed in accordance with the provisions of Chapter 4.5 of Part 2, Division 4, Title 2 of the Government Code of California, and all other State or Federal statutes applicable to such deposits, whether now in force or hereafter enacted, all of which are by this reference made a part hereof. Nothing in this agreement shall be construed as altering in any way, the rights, duties, and responsibilities of the parties to this agreement other than set forth in said laws and all amendments thereto, which are hereby specifically made a part of this contract.

EIGHTH: This agreement supersedes all previous and existing Agreements for Time Deposit executed by and between the Treasurer and the Association. All deposits of State money now or hereafter deposited by the Treasurer in the Association and all securities now or hereafter pledged and deposited with the Treasurer by the Association, subject to the terms of said provisions of existing agreements, shall as of the date hereof, be considered as being deposited by the Treasurer with the Association or pledged and deposited by the Association with the Treasurer, subject only to the terms and provisions of this agreement.

NINTH: This agreement shall remain in full force and effect until terminated by the Treasurer or the Association.

IN WITNESS WHEREOF, the Treasurer in his official capacity has executed this agreement in triplicate, and the Association has caused this agreement to be executed by its duly authorized officers and its corporate name and seal to be hereunto affixed the day and year first above mentioned.

JESSE M. UNRUH
Treasurer of the State of California

(Name of Association)

By _____

By _____

By _____

[Corporate Seal of Association]

RESOLUTION

At a meeting of the Board of Directors of the _____
_____ of _____, California,
duly convened at its offices on the _____ day of _____
the following resolution was presented and duly adopted:

RESOLVED, that the Chairman of the Board of Directors, or the President or any Vice President with the
Cashier, or the Secretary, or the Treasurer, or any Assistant Vice President, Treasurer, or Assistant Secretary
of the _____
_____ be and they are hereby authorized to execute from time to time,
as the business of the Association may require, agreements with the Treasurer of the State of California whereby
said Treasurer may deposit State funds of an amount permissible by law with this Association and that the
above-named officers be and they are hereby authorized to pledge securities to secure said deposit, and to
change said securities from time to time.

RESOLVED FURTHER, that this resolution shall remain in full force and effect until a copy of its revocation
shall be filed with the said Treasurer of the State of California, and all prior resolutions authorizing the officers
of the Association to execute agreements with said Treasurer of the State of California with respect to the
deposit of State funds with said Association and providing for the pledging of security for such deposits, are
hereby revoked.

SECRETARY'S CERTIFICATE

I, the undersigned, _____ secretary of said _____
_____ hereby certify that I am the _____
secretary of said Association above named, and that the foregoing is a full, true, and correct copy of a resolution
duly adopted by the Board of Directors of said Association at a ^{regular} meeting of said Board, held on the day
and at the place therein specified, at which a majority of the members were present and voted. I further certify
that said resolution is entered in the minutes and has not been amended or repealed.

In WITNESS WHEREOF, I hereunto set my hand and the corporate seal of said corporation, this _____ day
of _____

AMERICAN BAR ASSOCIATION
FORM NO. 11-N (8/78) (7-78)

Secretary



STATE OF CALIFORNIA
OFFICE OF THE
Treasurer
SACRAMENTO 95809

ALL SAVINGS AND LOAN ASSOCIATIONS:

Regulations of the State Savings and Loan Commissioner provide guidelines of Fair Lending for prevention of discrimination by associations in their lending practices. We support the intent of these guidelines and to assure compliance, we are requiring that all associations accepting state deposits sign a statement assuring nondiscriminatory lending practices.

We would appreciate an officer of your association executing the statement contained on the copy of this letter and returning it to our office as promptly as possible. We will rely upon State and Federal regulatory agencies for compliance.

Jesse M. Unruh
JESSE M. UNRUH
STATE TREASURER

I, the undersigned, as a duly authorized officer of _____

_____ hereby certify that said association does not discriminate in lending on the basis of neighborhood factors (red-lining) or because of race, color, religion, sex, marital status, national origin or ancestry.

Title

Date _____

SAMPLES OF RESOLUTION AND POWER OF ATTORNEY

In accordance with Section 1898.5 of the Regulations of the State Treasurer, your association may authorize the State Treasurer, under certain conditions, to assign and endorse each promissory note and deed of trust to himself by executing a Resolution of your Board of Directors and a Power of Attorney. The following are SAMPLE formats we wish you to use as guidelines in preparing these documents.

RESOLUTION AUTHORIZING POWER OF ATTORNEY OF THE

(Name)

BE IT RESOLVED that the _____ and
(Authorized Officer)

_____ are hereby authorized to execute on
(Authorized Officer)

behalf of this corporation, a Power of Attorney in favor of the TREASURER, STATE OF CALIFORNIA granting to said Treasurer full power and authority in the place and stead of this corporation to assign or transfer any and all notes representing loans pledged with and delivered to the TREASURER, STATE OF CALIFORNIA as security for deposits in this corporation of state moneys under the (State Bank Deposits Law or the Savings and Loan Association Deposits Law.)

I, _____, the duly appointed and qualified
_____ of the _____,
(Name)

a corporation organized and existing under and by virtue of the laws of the _____

(either State of California, or United States, if national bank or federally chartered association)

and having its principal place of business in the _____,
(City)

_____, _____, hereby certify and
(County) (State)

declare that the foregoing resolution is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of said corporation at a meeting thereof held on the _____ day of _____, 19____, at which meeting a quorum of said Board of Directors was present and voted in favor of said resolution; that said resolution has not been rescinded or amended and that the same is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation on this _____ day of _____, 19____.

(Corporate Seal)

By _____

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That _____,
(Name)

a corporation organized and existing under and by virtue of the laws of the State of California, or United States, if a national bank or federally chartered association, does hereby irrevocably make, constitute and appoint the TREASURER, STATE OF CALIFORNIA, its attorney-in-fact with full power and authority in its place and stead with the same effect as it itself could do to assign or transfer any and all notes pledged to the TREASURER, STATE OF CALIFORNIA as security for deposits of state moneys.

As the notes have been pledged to the State Treasurer as security for deposits of state moneys, this power of attorney is, therefore, a power coupled with an interest and as such irrevocable.

IN WITNESS WHEREOF, _____ has executed
(Name)

this power of attorney this _____ day of _____, 19__.

(Name)

By _____

By _____

For VALUE RECEIVED, the undersigned _____

hereby assigns and transfers to the TREASURER, of the STATE OF CALIFORNIA, certain mortgages or all beneficial interest under certain deeds of trust, hereinafter respectively described; together with the note or notes therein described or referred to, all of which the undersigned hereby endorses, the money due or to become due thereon with interest, and all rights accrued or to accrue under said mortgages or said deeds of trust.

This agreement is made to secure any indebtedness now or hereafter owing by the undersigned to said Treasurer, its successors or assigns. Upon any failure to pay all or any part of the deposit for which such mortgage or deed of trust is pledged as security, said Treasurer may sell property hereby assigned, at public or private sale with or without notice.

| DATE OF EXECUTION | MORTGAGOR OR TRUSTOR | LOAN NUMBER | MORTGAGEE OR BENEFICIARY | Recorded in Official | | |
|-------------------|----------------------|-------------|--------------------------|----------------------|-----------|---------------|
| | | | | Date | Book/Year | Page/Document |
| | | | | | | |

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed by its officers thereunto duly authorized and its corporate seal to be hereunto affixed this _____ day of _____, 19____.

By _____

[Corporate Seal]

By _____

AGREEMENT FOR SAFEKEEPING OF SECURITIES TO SECURE DEPOSITS
OF FUNDS OF THE STATE OF CALIFORNIA WITH MEMBER ASSOCIATION
OF FEDERAL HOME LOAN BANK OF SAN FRANCISCO

AGREEMENT made and entered into this _____ day of _____
by and between FEDERAL HOME LOAN BANK OF SAN FRANCISCO, hereinafter called "Bank",
and Treasurer of the State of California, hereinafter called "Treasurer", and _____
_____, hereinafter
called "Depository",

W I T N E S S E T H :

For and in consideration of the mutual covenants hereinafter set forth and as an inducement to Bank to hold securities for safekeeping, Bank, Treasurer and Depository agree as follows:

1. Treasurer and Depository each represents to Bank, (a) that all security deposited with Bank hereunder is, and shall be, in strict conformity with the provisions of Article 3 of Chapter 4.5 Part 2, Division 4, Title 2 of the Government Code of the State of California, or as the same may be amended; (b) that the Treasurer, hereinabove named, is duly authorized and empowered to enter into this agreement; and (c) that the Depository has been duly and legally designated and has done all things and performed all acts necessary to qualify as a depository of the funds of the State of California.
2. Treasurer hereby authorizes and directs Bank, Depository hereby consenting and agreeing thereto, (a) to act as agent to receive for Treasurer from Depository the deposit of approved securities tendered as security for deposits of money belonging to or in the custody of State of California; (b) to accept for safekeeping as a trust deposit all securities so received and any such securities tendered to Bank from time to time by Treasurer that have been deposited with him by Depository; and (c) to receive, hold and dispose of all such securities on and subject to the terms and conditions stated herein.
3. Bank represents that under the provisions of the said Article of the Government Code of the State of California it is qualified to act as such agent and to accept such securities for safekeeping as a trust deposit, and Bank hereby agrees to act in such capacity on and subject to the terms and conditions state herein.
4. Bank shall promptly issue and deliver to Treasurer its nonnegotiable safekeeping receipt for all securities delivered to it hereunder, and a copy thereof to Depository.
5. Any securities delivered by Depository to Bank, as agent for the Treasurer, shall not be deemed deposited with the Treasurer as security for deposits of money of the State of California, unless and until Bank's receipt therefor has been received by the Treasurer, and such security has been approved by him as to eligibility. Bank shall have no duty respecting any such approval, nor shall it be required to determine that any security delivered to it by Treasurer or Depository qualifies under the law as security for deposits of the State of California. Bank shall not be responsible for the genuineness, validity, or eligibility of any securities received by it hereunder, for any defect therein, or any alteration thereof, made prior to the receipt by it hereunder. Bank shall have no duty to consider or determine the sufficiency of the market value of any securities.
6. All securities delivered to Bank hereunder shall be subject at all times to the order of the Treasurer, and Bank shall dispose of such security as the Treasurer directs or instructs. Such securities may be released to Depository only upon the prior authorization of the Treasurer delivered to Bank. All such orders or instructions shall be in writing given over the signature of the Treasurer or such other officer as may be designated by Treasurer. Such orders or instructions may also be given by means of Teletypewriter Exchange Service (TWX) or other electromechanical device provided each such message is authenticated by an appropriate testword. Bank may at any time

request of Treasurer that it be furnished with a certificate certifying that he is the duly elected (or appointed) qualified and acting Treasurer.

7. Bank shall not be responsible for notifying the Treasurer or Depository of any called or matured securities deposited with it hereunder. However, it may comply with Depository's instructions regarding the presentation of any thereof for payment or exchange for other securities if approved in writing by Treasurer.

8. Bank is authorized, unless and until it receives written instructions from the Treasurer to the contrary, to clip maturing interest coupons, and to deliver such coupons or the proceeds thereof to the Depository.

9. Bank shall not make any fee or charge against Treasurer for the services performed by Bank in connection with the handling and safekeeping of securities, but Bank may enter into a separate agreement with Depository for imposition of fees and charges.

10. Bank shall be responsible only for the safekeeping of all securities delivered to it hereunder and for a strict compliance with instructions given it by the Treasurer as provided in paragraph 6 of this agreement. During custody of securities hereunder, Bank shall exercise the same degree of care thereof with which it cares for its own property of like kind, but it will not be liable for any loss due to any cause other than lack of diligence. Bank may designate any commercial bank or trustee as custodian of securities herein for purposes of retaining physical custody of such securities and may in its discretion deposit such securities with such custodian; but such deposit shall not relieve Bank of its responsibility to Treasurer and Depository to perform Bank's duties as set forth herein.

11. Bank need not maintain any form of insurance of the security placed with it under this agreement.

12. The receipt of the Treasurer for any securities withdrawn by him from Bank, or strict compliance by Bank with any instructions given to it by him pursuant to paragraph 6 of this agreement respecting any other disposition of such securities, shall constitute a complete release and discharge of Bank from all liability for or on account of the securities so withdrawn or otherwise disposed of.

13. Any request, notice, instructions, or other action provided for herein shall be deemed to be duly given or taken, and Bank shall be fully protected in relying and acting thereon, if in writing or as specified in paragraph 6 hereof and given or taken as follows:

(a) If by Depository, by officer or employees authorized so to do by resolution of its Board of Directors, certified copies of which shall have been furnished to the Treasurer and Bank, and the signatures or specimen signatures of such officers on file with Bank, may be recognized by Bank for all purposes hereunder.

(b) If by Treasurer, by him personally or by such other officer, whose appointment and specimen signature shall have been certified to Bank by the Treasurer.

14. If requests, notices, instructions, or other information conveyed to Bank are unclear or ambiguous, Bank, in its sole discretion, may request clarification thereof from the Treasurer or Depository and such clarification shall be delivered forthwith.

15. This agreement shall inure to the benefit of and be binding upon each successor in office of the Treasurer, and each such successor, from the time he assumes office and delivers to the Bank notice of his election (or appointment) and qualification and a certificate certifying that he is the duly elected (or appointed) qualified and acting Treasurer, shall be deemed to be substituted for the undersigned Treasurer as a party hereto, with all the rights and duties of the Treasurer hereunder.

16. This agreement shall be effective on the date and year first above written and supersedes any existing agreement between the parties hereto for the safekeeping of securities to secure deposits of funds of the State of California and shall remain in force hereafter subject to the right of termination upon any party giving to the other parties written notice of such intention at least fifteen (15) days prior to such termination.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in triplicate the day and year first above written.

FEDERAL HOME LOAN BANK OF SAN FRANCISCO

By _____

By _____

TREASURER OF THE STATE OF CALIFORNIA

Treasurer's Signature

(Name of Depository)

By _____
(Authorized Signature)

(Title)

Certificate of Deposit of State Funds

Exhibit 18

....., California

The State of California by and through its State Treasurer has deposited
Dollars in this Association.

The deposit is made, and we hereby accept it in accordance with and subject to the provisions of Chapter 4.5 of Part 2, Division 4, Title 2, of the Government Code of California, and all amendments thereto, and is payable on _____, to the order of JESSE M. UNRUH, as Treasurer of the State of California, upon surrender of this certificate, in accordance with the provisions of that certain Agreement for Deposit entered into _____, between the Treasurer of the State of California and the undersigned Association.

This certificate bears interest at the rate of _____ per cent per annum from _____ payable

Name of Association

By _____

TREAS. FORM 11-E (S/L) (7-76) 44080 W99 7-76 500 QUIN (3) OSP

1300

EXHIBIT 17

**REQUEST TO DEPOSIT, WITHDRAW OR
SUBSTITUTE COLLATERAL**

TO-TD-011C (1/78)

1. DEPOSIT OF COLLATERAL - Complete Parts 1 & 2 of document, sign and return.
2. WITHDRAWAL OF COLLATERAL - Complete Parts 1 & 3 of document, sign and return.
3. SUBSTITUTION OF COLLATERAL - Complete Parts 1, 2 & 3 of document, sign and return.
4. If more space is required, attach additional forms.

Submit in Duplicate to:
Office of the State Treasurer
Trust Services Division
P.O. Box 1313
Sacramento, CA 95809

DATE _____

PART 1 - TO BE COMPLETED BY REQUESTING INSTITUTION

| | | | | | |
|-------------------------------------------------------------------------------|-------|-----|------------------------------------------|--|--|
| INSTITUTION | | | AUTHORIZED OFFICER (SIGNATURE AND TITLE) | | |
| ADDRESS | | | AUTHORIZED OFFICER (SIGNATURE AND TITLE) | | |
| CITY | STATE | ZIP | | | |
| (Check One) | | | Security Agreement Dated _____ | | |
| <input type="checkbox"/> Demand Deposit <input type="checkbox"/> Time Deposit | | | | | |

**PART 2 - WE HEREBY REQUEST TO DEPOSIT THE FOLLOWING SECURITIES TO
BE HELD BY YOU AS SECURITY FOR A DEPOSIT OF STATE FUNDS:**

| DATE OF NOTE | FHA VA CON | LOAN NUMBER | ORIGINAL AMOUNT OF LOAN | LATEST APPRAISED VALUE | UNPAID PRINCIPAL BALANCE | DELINQUENT NO. OF MONTHS | NO. OF DWELLING UNITS |
|--------------|------------------|-------------|----------------------------|---------------------------|-----------------------------|--------------------------------|-----------------------------|
| | | | | | | | |

Number of Securities Deposited _____

\$ _____

\$ _____

Application for Deposit, Substitution or Withdrawal of Bonds to Secure State Deposits

JESSE M. UNRUH, *State Treasurer*
Sacramento, California

We hereby request the following changes in bonds, which are held by you as security for a deposit of State funds under our _____ agreement date _____, 19____

Demand or Time

We desire to pledge and deposit the following bonds:

| NO. OF BONDS | FULL DESCRIPTION OF BONDS <small>(INCLUDING COUNTY IN WHICH MUNICIPALS ARE LOCATED)</small> | BOND NUMBERS | MATURITY DATE | RATE | TOTAL PAR VALUE |
|--------------|------------------------------------------------------------------------------------------------|--------------|---------------|------|-----------------|
| | | | | | |

We desire to withdraw the following described bonds:

TOTAL \$

| NO. OF BONDS | FULL DESCRIPTION OF BONDS <small>(INCLUDING COUNTY IN WHICH MUNICIPALS ARE LOCATED)</small> | BOND NUMBERS | MATURITY DATE | RATE | TOTAL PAR VALUE |
|--------------|------------------------------------------------------------------------------------------------|--------------|---------------|------|-----------------|
| | | | | | |

TOTAL \$

Said securities deposited to be held subject to the terms of our agreement as fully as though they had been originally deposited under said agreement.

Bank or
Association

DATED _____, 19____

President

At _____, California

Secretary

STATE TREASURER'S USE ONLY

| DATE | CASH | SECURITY |
|-----------------------------|------|----------|
| Balance | | |
| Deposit | | |
| Withdrawn | | |
| Balance | | |
| Pledge Value Required | | |
| Value of Securities Pledged | | |
| Reviewed: _____ | | |

I hereby approve the securities described in this application.

Date _____, 19____

JESSE M. UNRUH
Treasurer of the State of California

SHOBY IN DUPLICATE
TREAS. FORM NO. 118 (REV. 12-74)

FEDERAL HOME LOAN BANK OF SAN FRANCISCO

"MARKETS" PROGRAM AGREEMENT

THIS AGREEMENT is made as of _____, 19____, between the FEDERAL HOME LOAN BANK OF SAN FRANCISCO (hereinafter "Bank") and _____ (Name of Member)

_____, _____ (City) _____ (hereinafter "Member").

(State)

RECITALS:

1. To enable member associations to manage better their required liquidity and other investments and to expand the use of Bank's demand deposit service for members, Bank offers certain accounting, record keeping, trade execution, and safekeeping services, and it may hereafter offer further related services, in connection with Bank's "MARKETS" Program.

2. Safekeeping services include the custody of securities pledged by a member association as security for the deposit with such association of funds of a state, local agency, or other public entity (hereinafter "public funds") in accordance with applicable law in the States of California, Arizona, or Nevada.

3. Member desires to utilize all or some of the services so offered by Bank and will accept the same on the terms and conditions set forth herein.

AGREEMENT:

In consideration of the mutual covenants herein contained, Bank and Member agree as follows:

A. TRADES SERVICES.

As requested by duly authorized officers or employees of Member, Bank will execute on behalf of Member, in accordance with procedures now or hereafter established by Bank, such purchases, sales, or exchanges of securities, referred to herein as "trades", as Member shall request. In executing trades for Member, Bank shall have neither (1) liability to Member with regard to the manner in which the Member's instructions are carried out or such transactions are executed, in the absence of negligent conduct on the part of Bank itself, nor (2) responsibility for determining that the transaction meets any legal requirements applicable to Member or that the securities constitute a legal investment or liquid assets.

B. SAFEKEEPING.

1. As requested by Member, Bank will provide Member with safekeeping of securities to be held in Member's behalf in accordance with procedures now or hereafter established by Bank.

(Over)

2. At Member's request, and with the authorization of the state, local agency, or other public entity officer designated for this purpose by or in accordance with applicable law, Bank further agrees to provide safekeeping of securities pledged by Member as security for deposits of public funds, the rights and duties of Bank and Member in connection therewith to be subject to all applicable provisions of law as well as the terms and conditions of this Agreement.

3. In connection with the safekeeping of securities pledged as security for deposits of public funds, Bank and Member agree to execute with the appropriate officers of the depositing public entity such agreements as shall be required by, or appropriate to comply with, applicable law.

4. Bank agrees to exercise reasonable care in the retention and protection of securities subject to safekeeping hereunder, but any liability on its part for loss of or damage to any such security shall be limited to the market value thereof on the date of discovery of such loss.

5. Member agrees that Bank shall have no responsibility to determine or report to Member or any other party with respect to (i) the eligibility of securities tendered to Bank as collateral for deposits of public funds, or (ii) the sufficiency thereof.

6. The delivery to Member or its designee of any securities withdrawn from safekeeping hereunder in compliance with Member's instructions shall constitute a complete release and discharge of Bank from all responsibility for, or liability with respect to, the securities so withdrawn.

7. Bank is authorized to designate one or more commercial banks, trust departments thereof, or trust companies, as its agent or agents for the purpose of retaining, on Bank's behalf, physical custody of any securities tendered to it for safekeeping hereunder, but such designation shall not relieve Bank from any responsibility to Member.

C. REPORTS.

Where Bank provides Member safekeeping services hereunder, Bank will provide Member with:

1. Confirmations of all additions to and withdrawals from safekeeping, and
2. Periodic reports as to securities held in Member's safekeeping account, identifying those pledged and unpledged.

D. COUPONS, MATURITIES, REDEMPTIONS OR CONVERSIONS OF SECURITIES IN SAFEKEEPING.

1. Where Bank provides Member safekeeping services hereunder, Bank will surrender for payment at the appropriate time all coupons falling due and, subject to receipt by it of necessary instructions and approvals in the case of pledged securities, securities maturing. Bank shall not be obligated, however, to inform Member of any calling or offering for payment or conversion of any such securities prior to maturity, nor shall it be responsible for failure to present securities therefor.

2. The net proceeds of sales, maturities, redemptions, collections and other receipts hereunder, including dividends or interest collected by Bank on Member's behalf, shall be credited to Member's demand account with Bank, unless Bank is otherwise instructed in the case of pledged securities. All costs, expenses, and other items chargeable in connection with any transaction or other service hereunder shall be debited against Member's demand account with Bank.

E. CONFIDENTIALITY.

All information acquired by Bank, and all reports or accounts prepared by Bank, in connection with the services set forth herein, shall be treated by it as confidential, and no such matters shall be disclosed by Bank to any party other than Member except upon the specific written instructions of Member or as may be required by law. Member agrees to indemnify Bank for all liabilities and costs incurred by it in complying or otherwise dealing with such instructions or legal process purporting to require production of such information, reports or accounts.

F. FEES.

Member will compensate Bank for such services as may be rendered to Member hereunder in accordance with fee schedules which shall be established from time to time by Bank.

G. TERMINATION.

This Agreement, or any one or more of the services being provided hereunder, may be terminated at any time by either Bank or Member upon not less than 15 days' written notice delivered to the other party, subject to such further requirements as may be imposed by law with respect to securities held in safekeeping as security for deposits of public funds. Upon termination, Bank and Member agree to take such actions and execute such documents as shall be necessary to effect the same.

H. MISCELLANEOUS.

1. Instructions. Bank reserves the right to request clarification of, or to refuse, any instruction given to it hereunder by Member whenever the Bank, in its sole discretion, believes such request or refusal to be reasonable and appropriate.

2. Duty. No service offered hereunder shall be interpreted as imposing on Bank any duty to advise Member with respect to the acquisition or disposition of any security held in safekeeping or affected by trades hereunder.

3. Applicable Law. This Agreement shall be governed and construed in accordance with the law of the State of California, except with regard to securities held in safekeeping as collateral for deposits by another state or a local agency thereof, in which case the laws of the latter state having specific application to such deposits shall apply.

(Over)

4. Authorized Signatures. Concurrently herewith, and as necessary from time to time hereafter, Member's Board of Directors shall adopt, and Member shall provide Bank with a certified copy of, a resolution authorizing officers of Member to designate officers or employees of Member, on behalf of Member, to sign documents (including facsimile signatures) and transmit instructions to Bank, orally or in writing, in connection with trades or safekeeping of securities hereunder. In all matters pertaining to this Agreement, Bank is empowered to accept as valid all documents purportedly signed and all instructions purportedly given by one of the officers or employees so designated, provided Bank's employee receiving any such documents or instructions reasonably and in good faith believes the party giving the same to be properly authorized to do so.

Executed as of the date first appearing above.

FEDERAL HOME LOAN BANK OF SAN FRANCISCO

By _____

Title

By _____

Title

(Name of Member)

(City and State)

By _____

Title

By _____

Title

Designation of Persons Authorized to Give
Instructions or Execute Documents
Under Federal Home Loan Bank
of San Francisco "MARKETS" Program

To the Federal Home Loan Bank of San Francisco (hereinafter the "Bank"):

I, _____, certify that I am _____ of
(Title)

(Name of Member) (City)

(State), and I declare as follows:

1. Pursuant to the authority delegated to me by resolution of the Board of

Directors of said Association dated _____, 19____, I hereby designate the following officers or employees of said Association as the persons any one of whom is authorized on behalf of the Association to execute documents and to give to the Bank instructions pertaining to securities from time to time subject to safekeeping or other transactions executed for this Association by Bank in connection with its "MARKETS" Program:

| <u>Name</u> | <u>Title</u> (Office or "Authorized Employee") |
|-------------|---------------------------------------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

2. This authorization includes the use of facsimile signature and the electronic transmissions thereof, and the giving of instructions by wire, telephone or other electronic transmission, unless this Association hereafter instructs the Bank to the contrary in writing.

3. This designation can be revoked or amended only in writing signed by an officer of said Association named in the above-described directors' resolution and, until such revocation or amendment is delivered to you, you shall be entitled to rely on the within designations in accepting and acting on instructions given or documents executed in accordance herewith.

DATED: _____

Title

Name of Member

Certified Resolution of Board of Directors
Regarding Federal Home Loan Bank of San Francisco
"MARKETS" Program

I, _____,
(Name)

certify that I am _____
(Secretary/Assistant Secretary)
and an official custodian of minutes of the meetings of the Board of Directors of

(Name of Member) (City)

(State). I further certify that the following resolution
was duly adopted at a meeting of the Board of Directors of said association held
on _____, 19____, and that such resolution remains in full
force and effect:

WHEREAS, to enable member associations to manage better their
required liquidity and other investments and to expand the use of
Bank's demand deposit service to members, the Federal Home Loan
Bank of San Francisco currently offers its member institutions
certain accounting, record keeping, trade execution and safekeeping
services and it may hereafter offer further related services in
connection with said Bank's "MARKETS" Program, more fully described
in the "MARKETS" PROGRAM AGREEMENT presented to this meeting, and

WHEREAS, this association desires to utilize all or some of
the services so offered; it is

RESOLVED that the President or any Vice President and the
Secretary or an Assistant Secretary of this association are
authorized and directed to execute and deliver to the Federal
Home Loan Bank of San Francisco, on behalf of this association, an
agreement substantially in the form of the "MARKETS" PROGRAM
AGREEMENT presented to this meeting and such further agreements,
documents or instruments as may be necessitated by this association's
participation in the Federal Home Loan Bank of San Francisco "MARKETS"
Program;

(Over)

FURTHER RESOLVED, that the president or any vice president of this association is empowered to designate in writing the officers or employees of this association authorized on its behalf to execute documents (including the use of facsimile signatures and the electronic transmissions thereof) and/or to give to the Federal Home Loan Bank of San Francisco oral or written instructions (including telephonic or other electronic transmissions thereof) pertaining to securities from time to time subject to safekeeping or to other transactions executed for this association by said Bank in connection with its "MARKETS" Program; and

FURTHER RESOLVED, that the Federal Home Loan Bank of San Francisco shall be entitled to rely on any designation provided for herein in accepting and acting upon instructions given or documents executed by the persons so designated until a written notice of revocation or amendment of such designation shall have been received by said Bank.

The undersigned declares under penalty of perjury that the foregoing is true and correct.

Executed on _____, 19____.

WHEREAS, _____ (Depository) acts as a depository for treasurers of various local agencies and is therefore subject to the provisions of the California Local Agency Deposit Security Law and any regulations promulgated thereunder contained in Title 2 of the California Administrative Code, and

WHEREAS, pursuant to said Law and regulations, Depository has heretofore appointed Federal Home Loan Bank of San Francisco (FHLB) as Agent of Depository as defined therein, and

WHEREAS, said Law and regulations require the board of directors of a depository to authorize by name those officers and employees of the depository who are to perform various functions thereunder:

NOW THEREFORE BE IT RESOLVED, that contracts for the deposit of moneys of a local agency, contracts for the safekeeping of securities, and orders for withdrawal of collateral required of Depository shall be executed by any two of the following, acting together:

| (Officers and/or Employees) | (Signature) | (Title or Position) |
|-----------------------------|-------------|---------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

and, any other statement, certificate, verification, report or other document required of Depository (except statements and verifications of local agency deposits) shall be executed by any one of the persons named above;

FURTHER RESOLVED, that statements and verifications of local agency deposits required of Depository shall be executed by any two of the following officers, acting together:

| (Officer) | (Signature) | (Title) |
|-----------|-------------|---------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

BE IT FURTHER RESOLVED, that the Secretary or an Assistant Secretary be authorized and empowered to furnish specimen signatures of officers and employees named in this resolution to the Agent of Depository and to others as required from time to time.

I, _____, Secretary of _____
Assistant Secretary
_____, hereby certify that the foregoing
is a true copy of a resolution legally adopted by the Board of Directors of said
association at a regular meeting of said Board of Directors duly held on
_____, 19____, and that said resolution supersedes all
other Resolutions concerning these authorized signatures.

I further certify as follows:

1. That all those officers or employees named herein are bonded as provided in Section 16001.5.8 of Title 2 of the California Administrative Code.
2. That all those persons authorized herein to execute statements and verifications of local agency deposits are officers of this association, duly appointed and acting as provided in the corporation by-laws.

Dated: _____

Signature

CONTRACT FOR SAFEKEEPING OF SECURITIES
SECURING DEPOSITS OF A LOCAL AGENCY

THIS CONTRACT, made in duplicate as of _____, 19____,
by and between _____, hereinafter referred to as
the "Depository", and _____, hereinafter
referred to as the "Agent of Depository",

WITNESSETH:

WHEREAS, eligible securities (hereinafter designated "securities") are placed in the custody of the Agent of Depository by the Depository from time to time to secure deposits made by local agency treasurers with the Depository, in conformity with the provisions of Article 2 of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California; and

WHEREAS, local agency treasurers are authorized and empowered under the provisions of said Article to authorize a trust company or trust department of any state or national bank located in the State of California or the FHLB of SF and designated by the Depository, to act as Agent of Depository and to hold securities of the Depository approved as security pursuant to said Article; and

WHEREAS, the Agent of Depository has filed with the Administrator of Local Agency Security of the State of California an agreement to comply in all respects with the provisions of said Article 2 of Chapter 4, Part 1, Division 2, Title 5 of the Government Code and is thus qualified to accept such securities for safekeeping;

NOW, THEREFORE, the Depository hereby authorizes and directs the Agent of Depository, and the Agent of Depository hereby consents and agrees to receive from the Depository and hold for safekeeping securities for the purpose of securing local agency funds on deposit with the Depository subject to the following terms and conditions:

1. All securities subject to this contract received and held by the Agent of Depository shall be kept separate from and not commingled with any other securities owned by the Depository or held by the Agent of Depository.

2. The Agent of Depository shall promptly issue and deliver to the Depository a receipt for all securities subject to this contract delivered to it.

3. The Depository may transfer additional securities to the Agent of Depository and may substitute securities of equal value for those securities held by the Agent of Depository in accordance with procedures now in hereafter established by Agent of Depository.

4. Withdrawal of securities subject to this contract by the Depository without replacement at equal value may be ordered only by bonded officers or employees of the Depository who have satisfied such requirements as may be set from time to time by the Administrator of Local Agency Security. The Agent of Depository shall release such securities only upon presentation by the Depository of the most reasonably current statement of the total local agency deposits then held by the Depository, such statement to be verified and countersigned by two bonded officers other than those who may have ordered the withdrawal of securities.

5. The Agent of Depository shall not be responsible for notifying the Depository on any called or matured securities deposited with it hereunder. However, it shall comply with the Depository's instructions regarding the presentation of such securities for payment or exchange for other securities so long as such instructions are not inconsistent with the provisions and requirements of applicable state and federal statutes, rules and regulations.

6. The Agent of Depository is hereby directed, unless and until it receives written instructions from the Depository to the contrary, to clip the coupons on securities subject to this contract held by it as the same become due and payable, and to deliver such coupons or the proceeds thereof to the Depository.

7. The charges, if any, for handling and safekeeping of securities subject to this contract shall be a charge against the Depository unless other arrangements are made.

8. Authority for placement of securities for safekeeping in accordance with Government Code Section §3659 is hereby granted to the Agent of Depository, including placement with any Federal Reserve Banks or branches thereof or with banks other than the Depository, located in cities designated as reserve cities by the Board of Governors of the Federal Reserve System, which are from time to time designated by the Depository.

9. The Depository's receipt given in return for any securities withdrawn by it from the Agent of Depository and strict compliance by the Agent of Depository with any written instructions given to it by the Depository respecting any other disposition of securities subject to this contract, shall constitute a complete release and discharge of the Agent of Depository from all liability for or on account of the securities so withdrawn or otherwise disposed of.

10. The Depository shall have the right at all reasonable times to make an inspection or examination of the securities subject to this contract in the possession of the Agent of Depository.

11. The Agent of Depository shall promptly furnish to the Depository copies of any reports made to treasurers or to the Administrator of Local Agency Security under the authority of Article 2 of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California.

12. Any request, notice, instructions or other action provided for herein shall be made in writing. Both parties hereto shall be fully protected in relying and acting thereon if signatures of officers and employees authorized by resolution of their respective Boards of Directors appear thereon. A certified copy of said resolution shall be furnished to the Agent of Depository along with specimen signatures of such officers and employees.

13. If the Depository fails to pay all or part of the deposits of a local agency in accordance with the deposit contract between the Depository and the local agency, the securities referred to in this contract are subject to the order of the Administrator of Local Agency Security in accordance with Government Code Section 53665. In the event of failure to comply with the deposit contract between the Depository and the treasurer, the treasurer will notify the Administrator in writing. The Administrator, by written instruction, will require the Agent of Depository holding the securities to convert into money such portion of the securities as may be necessary to produce an amount equal to the deposits of the local agency, plus any accrued interest or costs due, and to pay such amount to the treasurer in satisfaction of such deposits. Any moneys resulting from such conversion in excess of the amount of such deposits, plus any accrued interest or costs due, shall be retained by the Agent of Depository as part of the trust pool until the Depository substitutes for such excess moneys securities having a market value at least ten percent (10%) in excess of the total amount of local agency deposits held by the Depository.

14. This contract may be terminated on thirty (30) days notice by either party by delivering written notice of such termination to the other party and to the Administrator of Local Agency Security.

15. This contract cancels and supersedes that part of any contract or agreement inconsistent herewith and in effect as of the date hereof between the parties hereto relating to the receipt and safekeeping of securities local agency deposits and any securities securing local agency deposits held by the Agent of Depository for the Depository under any such agreement shall be deemed to be held by the Agent of Depository on and subject to the terms hereof without issuance of any further receipt by the Depository and without the necessity of any further action by any party hereto.

16. This contract is made and entered into under and in accordance with the provisions of Article 2 of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California, and nothing herein is intended, nor shall be construed, to alter in any way the rights, duties or liabilities of the respective parties hereto as set forth therein, or in any subsequent amendments thereto.

IN WITNESS WHEREOF, the Agent of Depository and the Depository have caused their respective corporate names and corporate seals to be subscribed hereto by their undersigned officers, thereunto duly authorized.

AGENT OF DEPOSITORY

Corporate Seal

By _____
Authorized Signature
By _____
Authorized Signature

DEPOSITORY

Corporate Seal

By _____
Authorized Signature
By _____
Authorized Signature

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627

DONALD R. MELLO, *Assemblyman, Chairman*
Arthur J. Palmer, *Director, Secretary*

INTERIM FINANCE COMMITTEE (702) 885-5640

FLOYD R. LAMB, *Senator, Chairman*
Ronald W. Sparks, *Senate Fiscal Analyst*
William A. Bible, *Assembly Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620
ANDREW P. GROSE, *Research Director* (702) 885-5637

Exhibit B May 10, 1979

EXHIBIT B

Senator Thomas R.C. Wilson
Chairman, Committee on Commerce
and Labor
Legislative Building
Carson City, Nevada 89710

Dear Senator Wilson:

S.B. 578 is currently before your Committee on Commerce and Labor. This bill is indirectly related to our audit of the Banking Division for the fiscal year ended June 30, 1976.

Section 5, pages ⁴2 and ⁵3, lines 46-49 and 1-2, of S.B. 578 are not in complete accord with our audit recommendation. Therefore, we are submitting to you a proposed amendment for S.B. 578. We have discussed this with Mr. Joe Sevigny, Superintendent of Banks, who is in agreement with the proposal.

When this bill is heard by your committee, we will be in attendance to explain our proposed amendment.

Sincerely yours,

JOHN R. CROSSLEY, C.P.A.
LEGISLATIVE AUDITOR

By Robert O. Dimmick
Robert O. Dimmick
Deputy Legislative Auditor

JRC:ROD:rie
pc: James Wadhams
Joe Sevigny
Attachment

S.B. 578
PROPOSED AMENDMENT

EXHIBIT B

Delete the present wording of Section 5, Subsection 10, and replace with the following:

"All money received by the superintendent under this chapter must be deposited with the state treasury for credit to the appropriate account within the general fund for use of the banking division to be used to carry out the provisions of this chapter. At the close of each fiscal year, any remaining balance must lapse within the general fund."

Library Note:

Due to the presence of personal identifying information, parts of this document have been masked in order to maintain this record in a confidential manner as required by *Nevada Revised Statutes 239B.030 (5)*. The complete original document is on file with the State Library and Archives.

Research Library
July 2010

IF PRESTATEMENT OF COSTS IS COMPLETE DATES "FROM" AND "THRU" IMMEDIATELY BELOW. IF SERVICE WILL EXTEND BEYOND "THRU" DATE YOU MUST INQUIRE TO C.D.S. FOR CONFIRMATION OF CONTINUED ELIGIBILITY. (SEE DENTISTS HANDBOOK). APPROVED FOR BENEFITS.

DENTI-CAL DENTAL SERVICE
 P.O. BOX 7736
 SAN FRANCISCO, CALIFORNIA 94110
 DENTI-CAL
 AFFIX BELOW A MEDI-CAL PROOF OF ELIGIBILITY LABEL FOR EACH MONTH SERVICES WERE RENDERED.
 SHADED AREA FOR C.D.S. USE ONLY



FROM 10-10-50747 BY Exhibit C

1. EMPLOYEE NAME: Lateva, Susan
 2. EMPLOYEE SOCIAL SECURITY NO: [REDACTED]
 3. NAME OF CDS GROUP DENTAL PROGRAM: Denti-Cal
 4. EMPLOYEE MAILING ADDRESS: Po Box 1042 959-6061
 5. C.D.S. GROUP NUMBER: [REDACTED]
 6. LOCATION (LOCAL): [REDACTED]
 7. CITY STATE ZIP: Susanville, CA 96130
 8. EMPLOYER (COMPANY) NAME: [REDACTED]
 9. PATIENT NAME: J.B. Libke
 10. PATIENT RELATIONSHIP TO EMPLOYEE: FATHER
 11. PATIENT BIRTHDATE: 9-2-74
 11A. IF FULL TIME STUDENT SCHOOL CITY: [REDACTED]
 12. DATE PATIENT FIRST VISIT (CURRENT SERIES): [REDACTED]
 13. DUAL COVERAGE: IF PATIENT IS COVERED BY ANOTHER PLAN PLEASE INDICATE: (SEE DENTISTS HANDBOOK) EMPLOYER NAME SOCIAL SECURITY NO. EMPLOYER NAME: D.D.S.
 14. DENTIST NAME PLEASE INDICATE LICENSE NO. & SOC. SEC. NO.: J.B. Libke 3257 [REDACTED]
 15. DENTIST MAILING ADDRESS: 1101 W. Moana Lane Reno, NV
 16. CITY STATE ZIP: Reno, NV
 17. DENTIST SOC. SEC. NO. OR I.R.S. NO.: [REDACTED]
 18. IS ANY TREATMENT FOR ORTHODONTIC PURPOSES? YES NO: NO
 19. RESULT OF ACCIDENT: ACCIDENT DESCRIPTION: [REDACTED]
 20. MEDICAL CARRIER AND ADDRESS: [REDACTED]
 21. RESULT OF OCCUPATIONAL INJURY? YES NO: NO
 22. ARE X-RAYS ENCLOSED? YES NO: NO
 23. HOW MANY: [REDACTED]

RELATING HERETO, I CERTIFY THE TRUTH OF ALL PERSONAL INFORMATION CONTAINED ABOVE. I AGREE TO BE RESPONSIBLE FOR PAYMENT FOR SERVICES RENDERED DURING ANY INELIGIBLE PERIOD.

IMPORTANT!
 WE HAVE REVIEWED THIS TREATMENT PLAN, THE COMPUTATIONS AND ANY ADJUSTMENTS MADE BY C.D.S. AND HAVE APPROVED SAME.

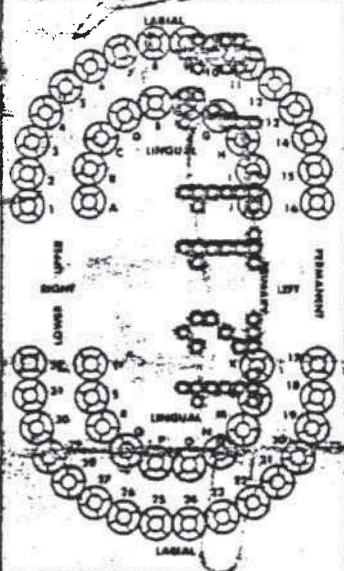
| | | | | | | | | | | | |
|--------------|------|------|------|------|------|------|------|------|------|------|------|
| JAN. | FEB. | MAR. | APR. | MAY. | JUN. | JUL. | AUG. | SEP. | OCT. | NOV. | DEC. |
| CHARGED | | | | | | | | | | | |
| PATIENT PAYS | | | | | | | | | | | |
| C.D.S. PAYS | | | | | | | | | | | |

(PRESTATEMENT OF COSTS)
 THE TREATMENT LISTED IS NECESSARY IN MY PROFESSIONAL JUDGMENT AND I REQUEST AUTHORIZATION IN ACCORDANCE WITH C.D.S. PARTICIPATING DENTIST RULES AND/OR DENTI-CAL RULES (See Reverse Side of Page 4)

(WORK COMPLETED - PAYMENT REQUESTED)
 THE TREATMENT LISTED WAS COMPLETED AND WAS NECESSARY IN MY PROFESSIONAL JUDGMENT. I REQUEST PAYMENT IN ACCORDANCE WITH C.D.S. PARTICIPATING DENTIST RULES AND/OR DENTI-CAL RULES (See Reverse Side of Page 4)

DENTIST SIGNATURE: J.B. Libke DATE: 12-27-77

DENTIST SIGNATURE: J.B. Libke DATE: 12-27-77



| TOOTH # OR LETTER | SURFACES | DESCRIPTION OF SERVICE (INCLUDING X-RAYS, PROPHYLAXIS, MATERIALS USED, ETC.) | DATE SERVICE PERFORMED (MO. DAY YEAR) | PROCEDURE NUMBER | FEE | USUAL AND CUSTOMARY TABLE OF ALLOWANCE |
|-------------------|----------|------------------------------------------------------------------------------|---------------------------------------|------------------|-------|----------------------------------------|
| all | | exam 2 hr's | initial 12-7-78 | 146 | 15.00 | |
| | | 2 ant xrays | 12-7-78 | 111 | 5.00 | |
| a | | ss crown | 3-1-79 | 670 | 35.00 | |
| b | | ss crown | | 670 | 35.00 | |
| c | | distal slice | | 600 | 10.00 | |
| d | | ss crown | | 670 | 35.00 | |
| e | | ss crown | | 670 | 35.00 | |
| f | | ss crown | | 670 | 35.00 | |
| g | | ss crown | | 670 | 35.00 | |
| h | | distal slice | | 600 | 10.00 | |
| i | | ss crown | | 670 | 35.00 | |
| j | | ss crown | | 670 | 35.00 | |
| k | | ss crown | | 670 | 35.00 | |
| l | | ss crown | | 670 | 35.00 | |
| m | | ss crown | | 670 | 35.00 | |
| n | | ss crown | | 670 | 35.00 | |
| o | | mesial & distal slices | | 600 | 15.00 | |
| p | | mesial & distal slices | | 600 | 15.00 | |
| q | | ss crown | | 670 | 35.00 | |
| r | | ss crown | | 670 | 35.00 | |
| s | | ss crown | | 670 | 35.00 | |
| t | | ss crown | | 670 | 35.00 | |
| all | | prophy with fluoride | | 062 | 20.00 | |
| e | | pulpotomy | | 501 | 15.00 | |

DENTI-CAL PARTICIPATION RULES ON REVERSE SIDE OF PAGES 1 & 4.

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 |
| 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 |

TOTAL FEE CHARGED: **595.00**

MARKED NUMBERS ABOVE REFER TO ADJUSTMENTS AS EXPLAINED ON REVERSE SIDES OF PAGES 2 & 3. DENTI-CAL PROCESSING POLICIES are listed on CDS Form No. 505.

- (SUBMIT TO CDS) - WHITE
- (SUBMIT TO CDS) - GREEN
- (SUBMIT TO CDS) - YELLOW
- (RETAIN FOR YOUR FILES) - GOLDENROD

CHECK ONE:

DENTIST'S PRE-TREATMENT ESTIMATE

DENTIST'S STATEMENT OF ACTUAL SERVICES

Spaced for Typewriter - Marks for Tubulars Appear on this Line

Everett Jones

PATIENT NAME (IF DEPENDENT)

BIRTH DATE

DATE FIRST VISIT (CURRENT YEAR)

Shannon Jones

MO. DA. YR.

3/14/79

EMPLOYER NAME

DOES PATIENT HAVE OTHER HEALTH COVERAGE?
IF "YES" PLEASE IDENTIFY.

YES NO

Overland Inc.

DENTIST'S NAME (PRINT)

LICENSE NO.

J. R. Eibke D.D.S.

325-7

ADDRESS STREET

INDIVIDUAL PRACTITIONERS - S

1701 E. Moana Lane, Suite 2

ALL OTHERS - EMPLOYER I. O. S.

511 6062014

CITY

STATE OR PROVINCE

ZIP

Reno, Nevada

89509

MUST BE FURNISHED UNDER AUTHORITY OF LAW

REASON OF THE TREATMENT FOR:

(B) ACCIDENTAL INJURY?

(C) OCCUPATIONAL INJURY?

IS THIS TREATMENT FOR PURPOSES OF YES NO

YES NO

YES NO

IF PROSTHESIS, IS THIS INITIAL PLACEMENT YES NO

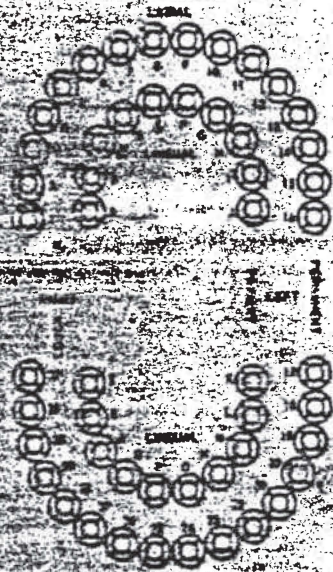
YES NO

DATE OF PRIOR PLACEMENT:

ARE X-RAYS ENCLOSED?

YES NO

IF YES, HOW MANY?



INDICATE MISSING TEETH

REMARKS FOR UNUSUAL SERVICES

EXAMINATION AND TREATMENT RECORD - USE CHARTING SYSTEM SHOWN

| TOOTH # OR LETTER | SURFACES | DESCRIPTION OF SERVICE (INCLUDING X-RAYS, PROPHYLAXIS MATERIALS USED, ETC.) | DATE SERVICE PERFORMED (MO. DA. YR.) | ADA PROCEDURE NUMBER | SEE | CA. USE |
|-------------------|----------|-----------------------------------------------------------------------------|--------------------------------------|----------------------|-------|---------|
| all | all | Initial examination | 31179 | 0110 | 12.00 | |
| | all | Bitewing x-rays | 31179 | 0272 | 6.00 | |
| all | all | Panorex | 31179 | 0330 | 7.00 | |
| ULE | | Pulpotomy | 32279 | 5280 | 10.00 | |
| ULE | | Stainless steel crown | 32279 | 2830 | 35.00 | |
| ULD | | Pulpotomy | 32279 | 5280 | 10.00 | |
| | | Stirous oxide | 32279 | 9999 | 5.00 | |
| LLE | | Stainless steel crown | 32279 | 2830 | 35.00 | |
| LLD | | Stainless steel crown | 32279 | 2830 | 35.00 | |
| LLD | | Stainless steel crown | 32279 | 2830 | 35.00 | |
| URD | | Extraction | 41279 | 7110 | 10.00 | |
| URE | | Stainless steel crown | 41279 | 2830 | 35.00 | |
| URD | | Space maintainer | 41279 | 1515 | 50.00 | |
| LRE | | Stainless steel crown | 41279 | 2830 | 35.00 | |
| all | all | Prophylaxis | 41279 | 1120 | 12.00 | |
| all | all | Fluoride | 41279 | 1220 | 6.00 | |

ORTHODONTICS (give diagnosis, class of malocclusion and describe appliance) in above treatment section)

DATE FIRST APPLIANCE INSERTED

DATE LAST APPLIANCE REMOVED

TREATMENT PERIOD (NUMBER MONTHS)

TOTAL FEE \$

TOTAL FEE ACTUALLY CHARGED

PATIENT PAYS

BALANCE

CARRIER %

CARRIER PAYS

I HAVE REVIEWED THE FOREGOING TREATMENT PLAN. I AUTHORIZE RELEASE OF ANY INFORMATION RELATING TO THIS CLAIM.

Everett Jones
SIGNED (PATIENT OR PARENT IF MINOR)

DATE 15 March

I HEREBY CERTIFY THAT THE SERVICES LISTED ABOVE WILL BE HAVE BEEN PERFORMED

J. R. Eibke
SIGNED (DENTIST)

DATE 4-19-79

I HEREBY AUTHORIZE PAYMENT DIRECTLY TO THE ABOVE-NAMED DENTIST OF THE GROUP INSURANCE BENEFITS OTHERWISE PAYABLE TO ME, BUT NOT TO EXCEED THE CHARGES SHOWN. I UNDERSTAND THAT I AM FINANCIALLY RESPONSIBLE FOR ANY CHARGES NOT COVERED BY THIS AUTHORIZATION.

Everett Jones
SIGNED (INSURED PERSON)

DATE 15 March

Form Approved by the Council on Dental Care Programs of the A. D.

ATTENDING DENTIST'S STATEMENT

CHECK ONE: DENTIST'S PRE-TREATMENT ESTIMATE
 DENTIST'S STATEMENT OF ACTUAL SERVICES

Spaced for Typewriter - Marks for Tabulator Appear on this Line

1. EMPLOYEE NAME: **Everett Jones** 2. SOCIAL SECURITY: [REDACTED]

3. ADDRESS: **Box 472** CITY: **Beckworth** STATE OR PROVINCE: **California** ZIP: **96121**

4. PATIENT NAME (IF A DEPENDENT): **Shannon Jones** 5. RELATIONSHIP TO EMPLOYEE: **Child** 6. BIRTH DATE: [MO.] [DA.] [YR.] 7. DATE FIRST VISIT (CURRENT): **3/14/79**

8. EMPLOYER NAME: _____ 9. DOES PATIENT HAVE OTHER HEALTH COVERAGE? YES NO
 IF "YES" PLEASE IDENTIFY: _____

10. GROUP DENTAL PLAN NAME: _____ 11. POLICY NUMBER: _____ 12. UNION LOCAL: _____

13. DENTIST'S NAME (PRINT): _____ 14. LICENSE NO.: _____ 15. INDIVIDUAL PRACTITIONERS - SS# _____
 ALL OTHERS - EMPLOYER I. D.# _____

16. ADDRESS CITY STATE OR PROVINCE ZIP _____

MUST BE FURNISHED UNDER AUTHORITY OF LAW

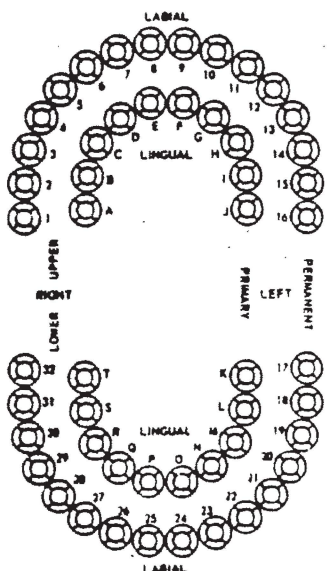
17. IS ANY OF THE TREATMENT FOR:

(A) ORTHODONTIC PURPOSES? YES NO (B) ACCIDENTAL INJURY? YES NO (C) OCCUPATIONAL INJURY? YES NO

18. IF PROsthESIS, IS THIS INITIAL PLACEMENT? YES NO IF NO, REASON FOR REPLACEMENT: _____

19. DATE OF PRIOR PLACEMENT? [MO.] [DA.] [YR.]

20. ARE X-RAYS ENCLOSED? YES NO IF YES, HOW MANY: _____



INDICATE MISSING TEETH WITH AN "X"

REMARKS FOR UNUSUAL SERVICES

| EXAMINATION AND TREATMENT RECORD - USE CHARTING SYSTEM SHOWN | | | | | | |
|--------------------------------------------------------------|----------|-----------------------------------------------------------------------------|------------------------------------------|----------------------|------|--------|
| TOOTH # OR LETTER | SURFACES | DESCRIPTION OF SERVICE (INCLUDING X-RAYS, PROPHYLAXIS MATERIALS USED, ETC.) | DATE SERVICE PERFORMED [MO.] [DA.] [YR.] | ADA PROCEDURE NUMBER | FEE | C. USE |
| | | Nitrous oxide | 32979 | 9999 | 5.00 | |
| | | Nitrous oxide | 41279 | 9999 | 5.00 | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

ORTHODONTICS: (give diagnosis, class of malocclusion and describe appliance(s) in above treatment section)

DATE FIRST APPLIANCE INSERTED _____

DATE LAST APPLIANCE REMOVED _____

TREATMENT PERIOD (NUMBER MONTHS) _____

TOTAL FEE \$ _____

| | |
|----------------------------|--------|
| TOTAL FEE ACTUALLY CHARGED | 348.00 |
| PATIENT PAYS | |
| BALANCE | |
| CARRIER % | |
| CARRIER PAYS | |

I HAVE REVIEWED THE FOREGOING TREATMENT PLAN. I AUTHORIZE RELEASE OF ANY INFORMATION RELATING TO THIS CLAIM.

_____ DATE _____
 SIGNED (PATIENT, OR PARENT IF MINOR)

I HEREBY CERTIFY THAT THE SERVICES LISTED ABOVE WILL BE HAVE BEEN PERFORMED

_____ DATE 4-19-79
 SIGNED (DENTIST)

I HEREBY AUTHORIZE PAYMENT DIRECTLY TO THE ABOVE-NAMED DENTIST OF THE GROUP ANNUAL BENEFITS OTHERWISE PAYABLE TO ME, BUT NOT TO EXCEED THE CHARGES SHOWN. I STAND THAT I AM FINANCIALLY RESPONSIBLE FOR ANY CHARGES NOT COVERED BY THIS AUTHORIZATION.

_____ DATE _____
 SIGNED (INSURED PERSON)

SEE INSTRUCTIONS ON REVERSE SIDE

Form Approved by the Council on Dental Care Programs of the



Robert List
Governor

State of Nebraska
Commissioner of Savings Associations

Capital Complex
406 East Second Street
Carson City, Nebraska 89710
(702) 885-4259

Lester O. Goddard
Commissioner

Exhibit D

EXHIBIT D

May 4, 1979

TO: Assembly Commerce Committee
FROM: Lester O. Goddard, Commissioner of Savings Associations
SUBJ: AB 753 (Mortgage Companies, Chapter 645B)

I have the following comments to make as to three sections:

Section 1, page 1, lines 5-9

I would recommend the following substitution:

- (b) verify that he or the principal operating officer has had a minimum of four years of active mortgage loan experience in a responsible capacity within the prior seven years, either in a financial institution or as a licensed real estate broker.

Section 2, page 2, line 13

Changing the initial surety bond requirement from \$10,000 to \$50,000 may be too severe, as insurance companies are reluctant to write bonds this size, and charge high annual fees. On the other hand, \$10,000 is probably too low and is too easy to obtain.

Section 4, page 4, lines 12-18

Should be eliminated.



State of Nebraska

EXHIBIT D

Commissioner of Savings Associations

Robert List
Governor

Capitol Complex
406 East Second Street
Carson City, Nebraska 89710
(702) 885-4259

Lester O. Goddard
Commissioner

May 14, 1979

TO: Members, Senate Judiciary Committee
FROM: Lester O. Goddard
Commissioner of Savings Associations
SUBJ: AB 753 (and SB 567) - Mortgage companies

From the time I came to Carson City as Commissioner in mid-February 1975, this industry has exploded in size, due mainly to the large equities people now have in their real property from inflation of the past three years. They borrow against this equity. Here are some figures:

| | | |
|---------------------|--------------------------|-----|
| Number of licensees | 2-15-75 | 16 |
| Number of licensees | 5-14-78 | 110 |
| Loans 1975 | 970 for \$18.8 million | |
| Loans 1978 | 3,199 for \$81.3 million | |
| Loans 1979 (est) | 5,000 for \$115 million | |

The bulk of this activity is by mortgage loan brokers, finding borrowers and lenders and getting them together. Most of the loans are secured by second Deeds of Trust on single family dwellings, or by first Deeds of Trust on vacant land. Three or four licensees concentrate on finding institutional lenders for commercial projects such as small shopping centers. Three or four companies lend their own money. The large mortgage bankers, who supply large sums of money mainly for FHA, VA, and conventional first Deed of Trust loans on single family dwellings, have grown from about 18 in 1975 to 46 at present, but are exempt from licensing under Chapter 645B.

AB 753 came from the industry. I am in sympathy with its approach of raising the standards in Chapter 645B for licensing mortgage companies. But I do have some suggestions:

Page 2, line 5: I question the need for "in a managerial capacity".

Page 2, line 7: "real estate division" should read "mortgage loan division".

Page 2, line 39: Increasing the initial surety bond from \$10,000 to \$50,000 may be too severe, as insurance companies have become reluctant to write these bonds at this figure and charge high fees when they do. My suggestion would be \$25,000 (or \$35,000).

a division of the Department of Commerce
James L. Wadhams, Director

Senate Judiciary Committee
Page 2
May 14, 1979

"Advance fees", page 1, lines 9-15
and page 5, lines 1-7

(see also SB 567, with almost identical wording)
See my memo to you of May 8, suggesting the addition of a sentence:
"For loan applications of \$50,000 or less, a mortgage
loan broker may retain advance payments only for costs
paid to third parties."

Exhibit E
Proposed amendments to AB 753

Insert on page 2, after line 10:

(d) The provisions of paragraphs (b) and (c) do not apply to natural persons and business organizations who hold themselves out as being able to make loans secured by liens or real property as defined in paragraph (c) of subsection 2 of NRS 645B.010. A natural person and an active partner or manager of the business organization's operation must have at least 2 years of administrative experience in a financial institution.

Minden, Nevada. 89423

May 17, 1979

Assemblyman Robert Weise
Legislative Building
Carson City, Nevada. 89710

Dear Assemblyman Weise

I and my clients feel that it was very unfortunate that a misunderstanding took place at the hearings before the Senate Commerce Committee on May 16, 1979, during testimony on AB 807. At that time you indicated that proponents of the Bill misrepresented the facts and told a different story to the Senate Commerce Committee than they told the Assembly Commerce and Labor Committee. While no individual was named it was clear that your comments were directed either to myself or representatives of the Wine and Spirits Wholesalers of Nevada.

I have appeared before various committees and sub-committees of the Legislature for the past ten years. At one time I addressed a joint session of the entire Assembly and Senate. At no time then nor at the Senate Commerce Committee on May 16, 1979 have I ever willingly or knowingly made a false statement nor have I ever to my knowledge misrepresented a fact.

The industry representatives attending the hearings are well respected businessmen who enjoy exceptional reputations and who are known for their integrity in their business dealings and personal lives. None of these people would attempt to deceive a legislative committee.

I do not intend to discuss the merits of AB 807 except to say that it relates to a portion of the liquor industry which is unique and not widely understood. Because of that fact our testimony may not have been as clear as possible or it may have been misunderstood or misinterpreted.

Myself and my clients are protective of our reputations and do not want the minutes of the Senate Commerce Committee which contain your comments to go unanswered for fear that our silence is interpreted as an admission that we agree. I am therefore, asking by copy of this letter to Senator Wilson, that he attach this letter to the Committee minutes relating to AM 607 on May 16, 1979.

Very Truly Yours,

Jack Shoshan
Attorney at Law

cc: Senator Wilson
Assemblyman Jefferies
Art Serini