

HALL OF FINANCE & RECORDS 12 CIVIC CENTER PLAZA, SUITE G76 POST OFFICE BOX 4515 SANTA ANA, CA 92701 www.ocgov.com/treas JOHN M.W. MOORLACH, C.P.A., CFP® TREASURER-TAX COLLECTOR

GARY J. COWAN Assistant Treasurer-Tax Collector

PAUL C. GORMAN, C.P.A., CTP Deputy Treasurer

WALTER DANIELS DEPUTY TAX COLLECTOR

VICKIE PAZANTI DEPUTY TREASURER-TAX COLLECTOR Administration

CLARISSA ADRIANO-CERES DEPUTY TREASURER-TAX COLLECTOR INFORMATION TECHNOLOGY

BRETT R. BARBRE DEPUTY TREASURER-TAX COLLECTOR *PUBLIC INFORMATION OFFICER*

CHANGES IN ELIGIBILE CREDITS

In the month of November, there were three changes to the Treasurer's approved eligibility list:

- 1) Pacific Life Insurance was removed
- 2) MOAT Funding was removed
- 3) Koch Industries LLC was removed

Please see the attached reports detailing the reasons the above actions were taken by the Treasurer.



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To:	Treasury Investment Committee		
From:	John Byerly, Financial Analyst		
Date:	November 14, 2005		
Subject:	Pacific Life Insurance Co.		
Rating:	A-1+/P-1/F1+	AA/Aa3/AA	
Exposure:	County/Schools/XFund /JWA - None		
Recommendation:	Remove from CP/MTN Eligibility List		
Rationale:	No longer fits investme	ent approach	

Summary:

Pacific Life's primary business operations provide a broad range of life insurance, asset accumulation and investment products for individuals and businesses and offer a range of investment products to institutions and pension plans. Pacific Life counts more than half of the 100 largest U.S. companies as clients.

While Pacific Life continues to be a leader in its industry with strong liquidity measures, Pacific Life's scant use of its commercial paper program is no longer consistent with our investment objectives.

I recommend removing Pacific Life Insurance Co. from the CP/MTN Eligibility List.



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To:	Treasury Investment Committee	
From:	John Byerly, Financial Analyst	
Date:	November 28, 2005	
Subject:	MOAT Funding LLC	
-	-	
Ratings:	Withdrawn	
Exposure :	County/Schools/XFund /JWA - None	
Recommendation:	Remove from CP/MTN Eligibility List	
Rationale:	Program wound down	

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Summary:

Created in 1998 by JP Morgan, MOAT Funding LLC was a unique, partially supported ABCP program backed by non-investment-grade performing bank loans to corporations.

On October 18, 2005, MOAT Funding LLC announced that the commercial paper program would be terminated and would stop issuance beginning November 17, 2005 at which time the ratings were requested to be withdrawn.

MOAT Funding LLC will therefore be removed from the CP/ MTN Eligibility List.



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To: From: Date: Subject: Treasury Investment Committee John Byerly, Financial Analyst November 28, 2005 **Koch Industries LLC**

Ratings:	Was:	AA+/Aa1/NR	A-1+/P-1/NR
	Now:	AA+ *-/Aa1*-/NR	A-1+*-/P-1/NR

Exposure:	County/Schools/XFund /JWA – None

Recommendation: Remove from CP/MTN Eligibility List

Rationale: Credit Watch Negative

Summary:

Koch Industries LLC's parent, Koch Industries Inc., is one of the largest private corporations in the US, with substantial holdings in oil and gas, chemicals, minerals, ranching, and securities. The company's ratings are supported by strong earnings, free cash flow, and a large net cash position.

On November 14, 2005, S&P placed the short and long-term ratings of Koch Industries LLC on credit watch negative. On November 15, Moody's placed their long term rating on credit watch negative, but affirmed Koch's short term rating. These actions were in response to the announcement that Koch Industries, Inc. had bid approximately \$21.7 billion for Georgia-Pacific Corporation. Concerns center around higher leverage and business volatility and on Koch LLC's degree of protection from the new pulp, paper, and consumer products businesses.

In keeping with our IPS restrictions, Koch Industries LLC has been removed from the CP/ MTN Eligibility List.