COUNTY OF ORANGE



OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS 12 CIVIC CENTER PLAZA, ROOM G76 P. O. BOX 4515 SANTA ANA, CA 92701 JOHN M. W. MOORLACH, C.P.A., CFP® TREASURER-TAX COLLECTOR (714) 834-7625

GARY J. COWAN ASSISTANT TAX COLLECTOR (714) 834-3545

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CHANGES IN ELIGIBILE CREDITS

In the month of June, there was one change to the Treasurer's approved eligibility list:

1) Archer Daniels Midland was removed from the eligibility list

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

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Rationale:

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To:	Treasury Investment Committee		
From:	Julia Xue, Senior Financial Analyst		
Date:	June 28, 2004		
Subject:	Archer Daniels Midland Company		
Rating:	WAS:	A1/P1/F1	A+/A1/A+
	NOW:	A1/P1/F1	A+/A1*-/A+
Exposure:	County - \$138.15 Million with last maturity on 8/10/04 Schools - \$56.73 Million with last maturity on 8/17/04 JWA - \$1.5 Million with last maturity on 7/7/04		
Recommendation:	Remove from CP/MTN Eligibility List		

Put on credit watch negative by Moody's

Summary: June 25, 2004 - Moody's Investors Service placed the senior unsecured long term rating (A1) for Archer Daniels Midland (ADM) company under credit watch negative, and affirmed its P1 short-term rating.

The event is triggered by ADM's agreement to settle a price fixing lawsuit for \$400 million in cash and the prospect that agricultural commodity markets in which ADM competes will become more challenging in the year ahead. Moody's is concerned with the resulting uncertainty surrounding ADM's ability to restore its debt protection measures to levels appropriate for an A1 credit for a company with its business profile in the near to intermediate term. The affirmation of the P1 short term rating for ADM is based upon ADM's solid committed bank backup arrangements, its high levels of cash and marketable securities, and the additional liquidity afforded by its large quantities of liquid grain inventories.

With revenues of approximately \$34 billion and asset of \$17 billion, the Archer Daniels Midland Company is one of the world's largest processors of agricultural commodities.