

Contact: Andrea Anania

MODIFICATION OF BROKERAGE FIRMS AND FINANCIAL INSTITUTIONS

Action Requested: Approve the addition of Piper Jaffray & Co. as a brokerage firm and Bank of the West as a financial institution for the University of Iowa.

Executive Summary: Regent Policy Manual §7.08J requires that changes in investment relationships be reviewed by the Audit/Compliance and Investment (ACIC) and approved by the Board before institutions are permitted to use their services.

FINANCIAL INSTITUTIONS: Iowa Code §12C.2 requires the Board of Regents to approve financial institutions that serve as depositories of its public funds. Approval must be entered by written resolution or order into the Board’s minutes, distinctly naming each approved depository and specifying the maximum amount which may be kept on deposit.

SUI wishes to expand its local banking relationships and include Bank of the West to provide further opportunity for public funds investments with Iowa banks.

BROKERAGE FIRMS: Once Board approval is granted, brokerage firms may be used by all Regent institutions. Piper Jaffray & Co. requested to be an approved brokerage firm and the universities agreed.

Brokerage Firms

- ♦ D.A. Davidson & Co.
- ♦ Morgan Stanley Smith Barney
- ♦ Piper Jaffray & Co.
- ♦ Raymond James & Associates
- ♦ RBC Wealth Management
- ♦ Wells Fargo Brokerage Services LLC

Financial Institutions

<u>Institution</u>	<u>Location</u>	<u>Maximum Deposit</u>
UNIVERSITY OF IOWA		
Wells Fargo Bank	Iowa	\$700,000,000
Bank of America	Iowa	\$500,000,000
U.S. Bank	Iowa	\$500,000,000
<u>Bank of the West</u>	<u>Iowa</u>	<u>\$30,000,000</u>
Dubuque Bank & Trust	Iowa	\$30,000,000
Hills Bank & Trust Company	Iowa	\$30,000,000
MidwestOne Bank	Iowa	\$30,000,000
University of Iowa Community Credit Union	Iowa	\$30,000,000
West Bank	Iowa	\$30,000,000
Wells Fargo Bank ¹	Minnesota	--
Wells Fargo Bank ²	Ohio	--
IOWA STATE UNIVERSITY		
Bankers Trust, Des Moines	Iowa	\$150,000,000
Bank of America	Iowa	\$100,000,000
U.S. Bank	Iowa	\$100,000,000
Wells Fargo Bank	Iowa	\$100,000,000
First National Bank, Ames	Iowa	\$25,000,000
Great Western Bank	Iowa	\$50,000,000
Wells Fargo Bank ¹	Minnesota	--

Financial Institutions (continued)

<u>Institution</u>	<u>Location</u>	<u>Maximum Deposit</u>
UNIVERSITY OF NORTHERN IOWA		
Wells Fargo Bank	Iowa	\$30,000,000
Regions Bank	Iowa	\$30,000,000
U.S. Bank	Iowa	\$30,000,000
Regions Bank ²	Illinois	--
Wells Fargo Bank ¹	Minnesota	--
IOWA SCHOOL FOR THE DEAF		
U.S. Bank	Iowa	\$3,000,000
Wells Fargo Bank ²	Iowa	--
IOWA BRAILLE AND SIGHT SAVING SCHOOL		
Regions Bank	Iowa	\$1,600,000
U.S. Bank	Iowa	\$350,000

1. Custodial Account.

2. Controlled Disbursement Account.

Maximum deposit amounts are not required for custodial and controlled disbursement accounts.

Disclosures:

With respect to the financial institutions and brokers listed in this memorandum, the: (1) Regents; (2) University Presidents, Vice Presidents of Business and Finance, and Treasurers; and (3) Special School Superintendents and Directors of Business Operations disclose the following:

- ♦ From October 1, 2009, to December 31, 2009, President Miles was President and Chief Executive Officer of WB Capital Management, Inc., a wholly-owned subsidiary of West Bancorporation, which also owns West Bank, an approved financial institution (as part of a transaction by which Miles Capital Holdings, Inc. agreed to acquire WB Capital from West Bancorporation on December 31, 2009.) President Miles is not a shareholder or director of West Bancorporation or West Bank. President Miles has a loan from West Bank. Miles Capital Holdings, Inc., a company that President Miles controls, has a loan through West Bank.
- ♦ Regent Downer is a shareholder of: (1) Midwest One Financial Group, holding company for MidwestOne Bank, N.A. of Iowa City; (2) U.S. Bancorporation, the parent company of U.S. Bank; and (3) Hills Bancorporation, holding company for Hills Bank and Trust Company. He also periodically performs legal services for Hills Bancorporation. Regent Downer has a renewal of credit at MidWestOne Bank, N.A.
- ♦ SUI President Sally Mason is a shareholder of MidwestOne Bank.
- ♦ ISU President Gregory L. Geoffroy is a member of the Board of Directors of Bankers Trust of Des Moines.
- ♦ ISU Vice President Warren R. Madden is a shareholder of Ames National Corporation (ANC) and member of the Boards of Directors of ANC and First National Bank (FNB), Ames. ANC is a holding company that fully owns five banks, including First National Bank, Ames, which is on the list of financial institutions on page 2; the other four are not authorized to do business with the Regents institutions. Vice President Madden reports that ISU's Treasurer handles all decisions regarding activities or relationships when these institutions are involved; he is not involved.
- ♦ ISD Director of Business Operations Jim Heuer is a shareholder of U.S. Bank.