

**STATE OF ALABAMA
OFFICE OF STATE TREASURER**

Questions Submitted Specific to the Request for Proposal for Brokerage Services

1. What is the approximate market value of the securities held by your current custodian?

As of April 2009, the market value was \$5.6 million which represented 581 issues. In December 2008, the market value was \$2.4 million which represented 424 issues.

However, it is important to note that historically securities have been sold upon receipt. With the decline of economic conditions (recession), the Treasurer elected to discontinue the sale of securities as of November 2008. Prior to our office beginning the practice of holding securities (November 2008), the market value was \$132,990 which represented 48 issues. The practice of holding securities will remain in place until there are two consecutive quarters of positive growth in the gross domestic product. At that time, our office will resume the practice of selling upon receipt.

2. Does the list of securities include mutual funds?

No.

3. Are the custodian's fees currently being charged to the account or are you being invoiced for the fees?

Currently, the custodian's fees are being invoiced monthly.

4. Does your office rely on monthly statements and/or internet access to account for the periodic cash transfers from the custodian to your department's checking account, or is the custodian providing your department with customized reports?

Currently, our office receives monthly statements, but we do also have online access to customized reports which we rely on as well.

5. How many stocks, bonds, mutual funds & DRP type of assets are involved? How many physical certificates, both in number and market value size, are currently part of the unclaimed property held by the State of Alabama?

Due to the nature of the business, these numbers can fluctuate rather significantly from month to month. Bonds and mutual funds are typically held in house by the state rather than with the custodian. Receipt of physical securities and DTC transactions typically range from 10 to 250 per month. While we strongly encourage DTC transactions, we do continue to receive physical certificates. Depending on whether or not securities are being held or sold (see question 1), the number of securities held would range from 100 to 800 per month. As such, the market value of the securities fluctuates as well. As of April 2009, the market value was \$5.6 million which represented 581 issues. In December 2008, the market value was \$2.4 million which represented 424 issues.