

TITLE 1: GOVERNMENT
DIVISION 8: PUBLIC EMPLOYMENT

§ 8373. Investment of Funds: Investment Agent.

(a) In order to secure expert advice and counsel, the board may engage one or more investment agents which shall be an investment counsel as hereinafter qualified. All costs incurred in this connection shall be paid from the fund.

(b) No person, firm or corporation shall be eligible for employment as investment counsel which act as principal for its own account or as broker for a client other than the fund in connection for the sale of any security to or the purchase of any security from the fund.

(c) No investment counsel shall be engaged unless:

(1) The principal business of the person, firm or corporation selected by the board consists of rendering investment supervisory services, that is, the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client; and

(2) The principal ownership and control of the person, firm or corporation rests with individuals who are actively engaged in that business; and

(3) The person, firm or corporation and its predecessors have been continuously engaged in such business for a period of 10 or more years; and

(4) The person, firm or corporation is registered as an investment advisor under laws of the United States of America as from time to time are in effect; and

(5) The contract between the board and the investment counsel is of no specific duration and is voidable at any time by either party; and

(6) The person, firm or corporation certifies, in writing, to the board, that the assets under its direct investment supervision are in excess of \$200 million.

(d) The board or its designee may from time to time change operating arrangements with the investment agent in order to facilitate efficient management and timely investment action.

(e) No investment shall be made unless in the opinion of the investment agent it is an appropriate investment for the fund and is an authorized investment under the provisions of this part or, in the absence of such opinion, unless preceded by a resolution of the board directing the investment.

Source: PL 6-17, ch. 5, § 8353.