

REFERENCE TITLE: public deposits; pooled collateral

State of Arizona  
House of Representatives  
Fifty-first Legislature  
First Regular Session  
2013

# HB 2619

Introduced by  
Representative Brophy McGee

AN ACT

AMENDING SECTION 35-323, ARIZONA REVISED STATUTES; AMENDING TITLE 35, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 10; RELATING TO POOLED COLLATERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-323, Arizona Revised Statutes, is amended to  
3 read:

4 35-323. Investing public monies; bidding; security and other  
5 requirements

6 A. The treasurer shall invest and reinvest public monies in securities  
7 and deposits with a maximum maturity of five years. All public monies shall  
8 be invested in eligible investments. Eligible investments are:

9 1. Certificates of deposit in eligible depositories.

10 2. Deposits in one or more federally insured banks or savings and loan  
11 associations placed in accordance with the procedures prescribed in section  
12 35-323.01.

13 3. Interest bearing savings accounts in banks and savings and loan  
14 institutions doing business in this state whose accounts are insured by  
15 federal deposit insurance for their industry, but only if deposits in excess  
16 of the insured amount are secured by the eligible depository to the same  
17 extent and in the same manner as required under this article.

18 4. Repurchase agreements with a maximum maturity of one hundred eighty  
19 days.

20 5. The pooled investment funds established by the state treasurer  
21 pursuant to section 35-326.

22 6. Obligations issued or guaranteed by the United States or any of the  
23 senior debt of its agencies, sponsored agencies, corporations, sponsored  
24 corporations or instrumentalities.

25 7. Bonds, notes or other evidences of indebtedness of this state or  
26 any of its counties, incorporated cities or towns or school districts.

27 8. Bonds, notes or evidences of indebtedness of any county, municipal  
28 district, municipal utility or special taxing district of any state that are  
29 payable from revenues, earnings or a special tax specifically pledged for the  
30 payment of the principal and interest on the obligations, and for the payment  
31 of which a lawful sinking fund or reserve fund has been established and is  
32 being maintained, but only if no default in payment on principal or interest  
33 on the obligations to be purchased has occurred within five years of the date  
34 of investment, or, if such obligations were issued less than five years  
35 before the date of investment, no default in payment of principal or interest  
36 has occurred on the obligations to be purchased nor any other obligations of  
37 the issuer within five years of the investment.

38 9. Bonds, notes or evidences of indebtedness issued by any county  
39 improvement district or municipal improvement district of any state to  
40 finance local improvements authorized by law, if the principal and interest  
41 of the obligations are payable from assessments on real property within the  
42 improvement district. An investment shall not be made if:

43 (a) The face value of all such obligations, and similar obligations  
44 outstanding, exceeds fifty per cent of the market value of the real property,  
45 and if improvements on which the bonds or the assessments for the payment of

1 principal and interest on the bonds are liens inferior only to the liens for  
2 general ad valorem taxes.

3 (b) A default in payment of principal or interest on the obligations  
4 to be purchased has occurred within five years of the date of investment, or,  
5 if the obligations were issued less than five years before the date of  
6 investment, a default in the payment of principal or interest has occurred on  
7 the obligations to be purchased or on any other obligation of the issuer  
8 within five years of the investment.

9 10. Commercial paper of prime quality that is rated within the top two  
10 ratings by a nationally recognized rating agency. All commercial paper must  
11 be issued by corporations organized and doing business in the United States.

12 11. Bonds, debentures and notes that are issued by corporations  
13 organized and doing business in the United States and that are rated within  
14 the top three ratings by a nationally recognized rating agency.

15 12. Negotiable or brokered certificates of deposit issued by a  
16 nationally or state chartered bank or savings and loan association.

17 13. Securities of or any other interests in any open-end or closed-end  
18 management type investment company or investment trust, including exchange  
19 traded funds whose underlying investments are invested in securities allowed  
20 by state law, registered under the investment company act of 1940 (54 Stat.  
21 789; 15 United States Code sections 80a-1 through 80a-64), as amended.

22 B. Certificates of deposit shall be purchased from the eligible  
23 depository bidding the highest permissible rate of interest. No monies over  
24 one hundred thousand dollars may be awarded at any interest rate less than  
25 one hundred three per cent of the equivalent bond yield of the offer side of  
26 United States treasury bills having a similar term. If the eligible  
27 depository offering to pay the highest rate of interest has bid only for a  
28 portion of the monies to be awarded, the remainder of the monies shall be  
29 awarded to eligible depositories bidding the next highest rates of interest.

30 C. An eligible depository is not eligible to receive total aggregate  
31 deposits from this state and all its subdivisions in an amount exceeding  
32 twice its capital structure as outlined in the last call of condition of the  
33 superintendent of financial institutions.

34 D. If two or more eligible depositories submit bids of an identical  
35 rate of interest for all or any portion of the monies to be deposited, the  
36 award of the deposit of the monies shall be made to the eligible depository  
37 among those submitting identical bids having, at the time of the bid opening,  
38 the lowest ratio of total public deposits in relation to its capital  
39 structure.

40 E. Each bid submitted, and not withdrawn prior to the time specified,  
41 constitutes an irrevocable offer to pay interest as specified in the bid on  
42 the deposit, or portion bid for, and the award of a deposit in accordance  
43 with this section obligates the depository to accept the deposit and pay  
44 interest as specified in the bid pursuant to which the deposit is awarded.

1 F. The treasurer shall maintain a record of all bids received and  
2 shall make available to the board of deposit at its next regularly scheduled  
3 meeting a correct list showing the bidders, the bids received and the amount  
4 awarded. These records shall be available to the public and shall be kept in  
5 the possession of the treasurer for not less than two years from the date of  
6 the report.

7 G. Any eligible depository, before receiving a deposit in excess of  
8 the insured amount under this article, shall deliver collateral for the  
9 purposes of this subsection equal to at least one hundred one per cent of the  
10 deposit. The collateral shall be any of the following:

11 1. A bond executed by a surety company that is approved by the  
12 treasury department of the United States and authorized to do business in  
13 this state. The bond shall be approved as to form by the legal advisor of  
14 the treasurer.

15 2. Securities or instruments of the following character:

16 (a) United States government or agency obligations.

17 (b) State, county, school district and other district municipal bonds.

18 (c) Registered warrants of this state, a county or other political  
19 subdivisions of this state, when offered as security for monies of the state,  
20 county or political subdivision by which they are issued.

21 (d) First mortgages and trust deeds on improved, unencumbered real  
22 estate located in this state. No single first mortgages or trust deeds may  
23 represent more than ten per cent of the total collateral. The treasurer may  
24 require that the first mortgages or trust deeds comprising the total  
25 collateral security be twice the amount the eligible depository receives on  
26 deposit. First mortgages or trust deeds qualify as collateral subject to the  
27 following limitations:

28 (i) The promissory note or other evidences of indebtedness secured by  
29 such first mortgage or trust deed shall have been in existence for at least  
30 three years and shall not have been in default during this period.

31 (ii) An eligible depository shall at its own expense execute, deposit  
32 with the treasurer and record with the appropriate county recorder a complete  
33 sale and assignment with recourse in a form approved by the attorney general,  
34 together with an unconditional assumption of obligation to promptly pay to  
35 the entitled parties public monies in its custody upon lawful demand and  
36 tender of resale and assignment.

37 Eligible depositories may deposit the security described in this subdivision  
38 with the state treasurer, and county, city or town treasurers may accept the  
39 security described in this subdivision at their option.

40 3. The safekeeping receipt of a federal reserve bank or any bank  
41 located in a reserve city, or any bank authorized to do business in this  
42 state, whose combined capital, surplus and outstanding capital notes and  
43 debentures on the date of the safekeeping receipt are ten million dollars or  
44 more, evidencing the deposit therein of any securities or instruments  
45 described in this section. A safekeeping receipt shall not qualify as

1 security, if issued by a bank to secure its own public deposits, unless  
2 issued directly through its trust department. The safekeeping receipt shall  
3 show upon its face that it is issued for the account of the treasurer and  
4 shall be delivered to the treasurer. The safekeeping receipt may provide for  
5 the substitution of securities or instruments which qualify under this  
6 section with the affirmative act of the treasurer.

7 4. LETTERS OF CREDIT ISSUED BY A FEDERAL HOME LOAN BANK IF:

8 (a) THE LETTER OF CREDIT HAS BEEN DELIVERED PURSUANT TO THIS SECTION  
9 OR CHAPTER 10, ARTICLE 1 OF THIS TITLE TO THE STATEWIDE COLLATERAL POOL  
10 ADMINISTRATOR.

11 (b) THE LETTER OF CREDIT MEETS THE REQUIRED CONDITIONS OF:

12 (i) BEING IRREVOCABLE.

13 (ii) BEING ISSUED, PRESENTABLE AND PAYABLE AT A FEDERAL HOME LOAN BANK  
14 IN UNITED STATES DOLLARS. PRESENTATION MAY BE MADE BY THE BENEFICIARY  
15 SUBMITTING THE ORIGINAL LETTER OF CREDIT, INCLUDING ANY AMENDMENTS, AND THE  
16 DEMAND IN WRITING, BY OVERNIGHT DELIVERY.

17 (iii) IF THE LETTER OF CREDIT IS FOR PURPOSES OF CHAPTER 10, ARTICLE 1  
18 OF THIS TITLE, CONTAINING A STATEMENT THAT IDENTIFIES THE STATEWIDE  
19 COLLATERAL POOL ADMINISTRATOR AS THE BENEFICIARY.

20 (iv) CONTAINING AN ISSUE DATE AND A DATE OF EXPIRATION.

21 (c) FOR THE PURPOSES OF CHAPTER 10, ARTICLE 1 OF THIS TITLE, THE  
22 ELIGIBLE DEPOSITORY, IF NOTIFIED BY THE STATEWIDE COLLATERAL POOL  
23 ADMINISTRATOR, IS NOT ALLOWED TO USE NEW LETTERS OF CREDIT ISSUED BY A  
24 FEDERAL HOME LOAN BANK IF THAT FEDERAL HOME LOAN BANK FAILS TO PAY A DRAW  
25 REQUEST AS PROVIDED FOR IN THE LETTERS OF CREDIT OR FAILS TO PROPERLY  
26 COMPLETE A CONFIRMATION OF SUCH LETTERS OF CREDIT.

27 H. The securities, instruments or safekeeping receipt for the  
28 securities, instruments or warrants shall be accepted at market value if not  
29 above par, and, if at any time their market value becomes less than the  
30 deposit liability to that treasurer, additional securities or instruments  
31 required to guarantee deposits shall be deposited immediately with the  
32 treasurer who made the deposit and deposited by the eligible depository in  
33 which the deposit was made.

34 I. The condition of the surety bond, or the deposit of securities,  
35 instruments or a safekeeping receipt, must be such that the eligible  
36 depository will promptly pay to the parties entitled public monies in its  
37 custody, upon lawful demand, and will, when required by law, pay the monies  
38 to the treasurer making the deposit.

39 J. Notwithstanding the requirements of this section, any institution  
40 qualifying as an eligible depository may accept deposits of public monies to  
41 the total then authorized insurance of accounts, insured by federal deposit  
42 insurance, without depositing a surety bond or securities in lieu of the  
43 surety bond.

1 K. An eligible depository shall report monthly to the treasurer the  
2 total deposits of that treasurer and the par value and the market value of  
3 any pledged collateral securing those deposits.

4 L. When a security or instrument pledged as collateral matures or is  
5 called for redemption, the cash received for the security or instrument shall  
6 be held in place of the security until the depository has obtained a written  
7 release or provided substitute securities or instruments.

8 M. The surety bond, securities, instruments or safekeeping receipt of  
9 an eligible depository shall be deposited with the treasurer making the  
10 deposit, and the treasurer shall be the custodian of the bond, securities,  
11 instruments or safekeeping receipt. The treasurer may then deposit with the  
12 depository public monies then in the treasurer's possession in accordance  
13 with this article, but not in an amount in excess of the surety bond,  
14 securities, instruments or safekeeping receipt deposited, except for federal  
15 deposit insurance.

16 N. The following restrictions on investments are applicable:

17 1. An investment of public operating fund monies shall not be invested  
18 for a maturity of longer than five years.

19 2. The board of deposit may order the treasurer to sell any of the  
20 securities, and any order shall specifically describe the securities and fix  
21 the date upon which they are to be sold. Securities so ordered to be sold  
22 shall be sold for cash by the treasurer on the date fixed in the order, at  
23 the then current market price. The treasurer and the members of the board  
24 are not accountable for any loss occasioned by sales of securities at prices  
25 lower than their cost. Any loss or expense shall be charged against earnings  
26 received from investment of public funds.

27 O. If the total amount of subdivision monies available for deposit at  
28 any time is less than one hundred thousand dollars, the subdivision board of  
29 deposit shall award the deposit of the funds to an eligible depository in  
30 accordance with an ordinance or resolution of the governing body of the  
31 subdivision.

32 Sec. 2. Title 35, Arizona Revised Statutes, is amended by adding  
33 chapter 10, to read:

34 CHAPTER 10

35 PUBLIC DEPOSITS

36 ARTICLE 1. GENERAL PROVISIONS

37 35-1201. Definitions

38 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

39 1. "ADMINISTRATOR" MEANS THE STATEWIDE COLLATERAL POOL ADMINISTRATOR.

40 2. "DEFAULT OR INSOLVENCY" INCLUDES THE FAILURE OR REFUSAL OF ANY  
41 ELIGIBLE DEPOSITORY TO RETURN ANY PUBLIC DEPOSIT ON DEMAND OR AT MATURITY AND  
42 THE ISSUANCE OF AN ORDER OF SUPERVISORY AUTHORITY RESTRAINING THAT DEPOSITORY  
43 FROM MAKING PAYMENTS OF DEPOSIT LIABILITIES OR THE APPOINTMENT OF A RECEIVER  
44 FOR THAT DEPOSITORY.





1           1. IN THE EVENT OF DEFAULT OR INSOLVENCY OF THE ELIGIBLE DEPOSITORY  
2 FOR WHICH THE COLLATERAL IS HELD, THE CUSTODIAN SHALL SURRENDER THE  
3 COLLATERAL TO THE ADMINISTRATOR.

4           2. THE CUSTODIAN SHALL REASONABLY MAKE AVAILABLE TO THE ADMINISTRATOR  
5 ANY BOOKS, RECORDS AND PAPERS PERTAINING THERETO FOR ANY EXAMINATION OR OTHER  
6 REASON NECESSARY FOR THE ADMINISTRATION OF THIS ARTICLE.

7           C. AN ELIGIBLE DEPOSITORY AT ANY TIME MAY MAKE SUBSTITUTIONS OF  
8 ELIGIBLE COLLATERAL MAINTAINED OR PLEDGED FOR THE PURPOSES OF THIS ARTICLE  
9 AND SHALL AT ALL TIMES BE ENTITLED TO COLLECT AND RETAIN ALL INCOME DERIVED  
10 FROM THE COLLATERAL WITHOUT RESTRICTION. THE AUTHORIZATION TO MAKE  
11 SUBSTITUTIONS OF ELIGIBLE COLLATERAL PURSUANT TO THIS SUBSECTION MAY BE  
12 SUSPENDED OR REVOKED BY THE ADMINISTRATOR IF THE ELIGIBLE DEPOSITORY HAS  
13 BECOME THE SUBJECT OF INCREASED REGULATORY OVERSIGHT AS A RESULT OF THE  
14 ELIGIBLE DEPOSITORY'S FAILURE TO MAINTAIN CAPITAL STANDARDS REQUIRED BY THE  
15 DEPOSITORY'S PRIMARY REGULATOR.

16           35-1209. Reports of eligible depositories

17           ON OR BEFORE THE TWENTY-FIFTH DAY OF EACH MONTH OR WHEN REQUESTED BY  
18 THE ADMINISTRATOR, EACH ELIGIBLE DEPOSITORY SHALL SUBMIT TO THE ADMINISTRATOR  
19 A REPORT, AS PRESCRIBED BY THE ADMINISTRATOR, SHOWING THAT THE CURRENT MARKET  
20 VALUE OF THE DEPOSITORY'S PLEDGED COLLATERAL IS EQUAL TO OR GREATER THAN THE  
21 AMOUNT OF REQUIRED COLLATERAL FOR THE PREVIOUS MONTH. THE REPORT SHALL BE  
22 CERTIFIED AS TO ITS ACCURACY BY AN AUTHORIZED OFFICIAL OF THE ELIGIBLE  
23 DEPOSITORY.

24           35-1210. Procedure for payment of losses

25           WHEN THE ADMINISTRATOR DETERMINES THAT AN ELIGIBLE DEPOSITORY SECURING  
26 PUBLIC DEPOSITS IN ACCORDANCE WITH THIS SECTION IS A DEFAULTING DEPOSITORY,  
27 THE ADMINISTRATOR SHALL TAKE STEPS AS PROMPTLY AS PRACTICABLE TO REIMBURSE  
28 PUBLIC DEPOSITORS OF ALL UNINSURED PUBLIC DEPOSITS HELD BY THE DEFAULTING  
29 DEPOSITORY USING THE FOLLOWING PROCEDURES:

30           1. THE ADMINISTRATOR SHALL DETERMINE THE AMOUNT OF UNINSURED PUBLIC  
31 DEPOSITS NET OF ANY DEPOSIT INSURANCE HELD BY THE DEFAULTING DEPOSITORY  
32 EITHER WITH THE COOPERATION OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OR  
33 THE RECEIVER APPOINTED FOR THE DEFAULTING DEPOSITORY OR BY ANY OTHER MEANS  
34 AVAILABLE.

35           2. THE ADMINISTRATOR SHALL ASSESS THE AMOUNT OF THE UNINSURED PUBLIC  
36 DEPOSITS DETERMINED UNDER PARAGRAPH 1 OF THIS SECTION AGAINST THE DEFAULTING  
37 DEPOSITORY. THE ADMINISTRATOR SHALL PROMPTLY TAKE POSSESSION OF THE ELIGIBLE  
38 COLLATERAL DEPOSITED BY THE DEFAULTING DEPOSITORY WITH THE DEPOSITORY'S  
39 QUALIFIED ESCROW AGENT, TO THE EXTENT NECESSARY TO SATISFY THE  
40 ADMINISTRATOR'S ASSESSMENT, AND SHALL LIQUIDATE THE SAME.

41           3. ON RECEIPT OF THE LIQUIDATED ELIGIBLE COLLATERAL, THE ADMINISTRATOR  
42 SHALL REIMBURSE THE PUBLIC DEPOSITORS FROM THE PROCEEDS OF THE COLLATERAL TO  
43 THE EXTENT OF THE DEFAULTING DEPOSITORY'S DEPOSIT LIABILITY TO THE DEPOSITOR,  
44 NET OF ANY APPLICABLE DEPOSIT INSURANCE.

1           35-1211. Civil penalties: noncompliance

2           A. THE ADMINISTRATOR MAY ASSESS AGAINST AND COLLECT FROM AN ELIGIBLE  
3 DEPOSITORY THE FOLLOWING FOR NONCOMPLIANCE WITH THE REQUIREMENTS OF THIS  
4 CHAPTER:

5           1. A CIVIL PENALTY OF NOT MORE THAN TWO HUNDRED FIFTY DOLLARS FOR EACH  
6 DAY THE ELIGIBLE DEPOSITORY FAILS TO MAINTAIN WITH ITS QUALIFIED ESCROW AGENT  
7 ELIGIBLE COLLATERAL AS REQUIRED BY THIS ARTICLE.

8           2. A CIVIL PENALTY OF NOT MORE THAN ONE HUNDRED DOLLARS FOR EACH DAY  
9 BEYOND THE TIME PERIOD SPECIFIED IN THIS ARTICLE OR BY THE POLICY OF THE  
10 ADMINISTRATOR THAT THE DEPOSITORY NEGLIGENTLY OR WILFULLY FAILS TO FILE IN  
11 THE OFFICE OF THE ADMINISTRATOR A WRITTEN REPORT REQUIRED BY THIS ARTICLE.

12           B. THE ELIGIBLE DEPOSITORY DEEMED IN NONCOMPLIANCE MAY REQUEST A  
13 HEARING BEFORE A CIVIL PENALTY IS IMPOSED PURSUANT TO THIS SECTION. ANY  
14 CIVIL PENALTY ASSESSED UNDER THIS SECTION SHALL BE PAID WITHIN THIRTY DAYS  
15 AFTER RECEIPT OF THE ASSESSMENT, OR THE ADMINISTRATOR MAY ASSESS AND COLLECT  
16 AN ADDITIONAL PENALTY OF FIVE PER CENT OF THE AMOUNT OF THE CIVIL PENALTY FOR  
17 EACH MONTH OR PART OF A MONTH THAT THE PAYMENT IS DELINQUENT.

18           C. ANY PENALTIES COLLECTED PURSUANT TO THIS SECTION SHALL BE DEPOSITED  
19 IN THE PUBLIC DEPOSIT ADMINISTRATION FUND ESTABLISHED BY SECTION 35-1212.

20           D. IF AN ELIGIBLE DEPOSITORY FAILS TO PAY THE PENALTIES ASSESSED BY  
21 THE ADMINISTRATOR PURSUANT TO THIS SECTION, THE ADMINISTRATOR MAY NOTIFY  
22 LOCAL AGENCY TREASURERS WITH DEPOSITS IN THE ELIGIBLE DEPOSITORY OF THE  
23 NONCOMPLIANCE.

24           35-1212. Fees; public deposit administration fund

25           A. THE ADMINISTRATOR SHALL ANNUALLY ASSESS EVERY ELIGIBLE DEPOSITORY A  
26 FEE IN AN AMOUNT ESTABLISHED BY THE ADMINISTRATOR FOR THE ENFORCEMENT AND  
27 ADMINISTRATION OF THIS CHAPTER. THE FEES SHALL FAIRLY AND EQUITABLY APPLY TO  
28 ALL ELIGIBLE DEPOSITORIES CALCULATED ACCORDING TO THE PROPORTION OF AGGREGATE  
29 PUBLIC MONIES THAT EACH DEPOSITORY HOLDS IN RELATION TO THE TOTAL OF ALL  
30 AGGREGATE PUBLIC DEPOSITS HELD BY ALL ELIGIBLE DEPOSITORIES FOR EACH ANNUAL  
31 PERIOD. FOR THE PURPOSES OF THIS SUBSECTION, MONIES INITIALLY INVESTED  
32 PURSUANT TO SECTION 35-323.01, SUBSECTION A, PARAGRAPH 1 AND DEPOSITED  
33 PURSUANT TO SECTION 35-323.01, SUBSECTION A, PARAGRAPH 2 SHALL NOT BE  
34 INCLUDED IN DETERMINING THE AGGREGATE PUBLIC MONIES HELD BY AN ELIGIBLE  
35 DEPOSITORY. THE ADMINISTRATOR SHALL DEPOSIT THE FEES IN THE PUBLIC DEPOSIT  
36 ADMINISTRATION FUND.

37           B. THE PUBLIC DEPOSIT ADMINISTRATION FUND IS ESTABLISHED IN THE STATE  
38 TREASURY. THE FUND SHALL CONSIST OF CIVIL PENALTIES DEPOSITED IN THE FUND  
39 PURSUANT TO SECTION 35-1211 AND FEES DEPOSITED PURSUANT TO SUBSECTION A OF  
40 THIS SECTION AND ALL INTEREST EARNED ON THE INVESTMENT OF THE MONIES IN THE  
41 FUND. ANY INTEREST SHALL BE CREDITED AT LEAST ANNUALLY TO THE FUND. EXCEPT  
42 AS OTHERWISE PROVIDED IN SUBSECTION A OF THIS SECTION, MONIES IN THE FUND ARE  
43 SUBJECT TO ANNUAL APPROPRIATION TO THE ADMINISTRATOR FOR THE ADMINISTRATION  
44 AND ENFORCEMENT OF THIS CHAPTER. MONIES SHALL NOT BE APPROPRIATED FROM THE  
45 STATE GENERAL FUND FOR PAYMENT OF ANY EXPENSES INCURRED UNDER THIS CHAPTER,

1 AND THE EXPENSES SHALL NOT BE CHARGED AGAINST THE STATE. ANY MONIES  
2 REMAINING IN THE FUND AT THE END OF EACH FISCAL YEAR THAT EXCEED THE AMOUNT  
3 APPROPRIATED TO THE ADMINISTRATOR FOR THAT FISCAL YEAR SHALL BE APPLIED AS A  
4 CREDIT FOR FEES ASSESSED PURSUANT TO THIS SECTION OR REFUNDED THE FOLLOWING  
5 CALENDAR YEAR TO THE PARTICIPATING ELIGIBLE DEPOSITORIES.