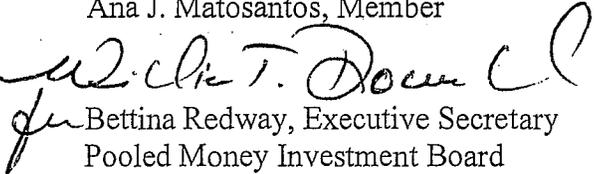


POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

Date: August 11, 2010

To: Pooled Money Investment Board
Bill Lockyer, Chair
John Chiang, Member
Ana J. Matosantos, Member

From:  Bettina Redway, Executive Secretary
Pooled Money Investment Board

Subject: Surplus Money Investment Fund Participation Request

The State Treasurer's Office asked the staff of the State Controller's Office to review a request from Department of Insurance to allow the following Special Deposit Fund to participate in the Surplus Money Investment Fund:

Litigation Deposit Fund
Fund Number 09422242

The State Controller's Office staff notified the State Treasurer's Office that they had determined this request is consistent with the statutory requirements of Section 16470, et seq., of the Government Code and recommended approval by the Pooled Money Investment Board. The State Treasurer's Office staff concurs with this recommendation. The effect of this action will be to credit interest earnings to these funds rather than the General Fund.

Please indicate your approval by signing below:

Bill Lockyer

Date

John Chiang

Date

Ana J. Matosantos

Date

Memorandum

To : Bettina Redway
Executive Secretary
Pooled Money Investment Board

Date: August 10, 2010

From : State Controller's Office
Kathy Perry, Bureau Chief
Division of Accounting and Reporting
Bureau of Accounting



Subject: SURPLUS MONEY INVESTMENT FUND PARTICIPATION REQUEST

I recommend approval for the following funds to participate in the Surplus Money Investment Fund:

Department of Insurance - Litigation Deposit Fund
(Fund Number: 0942242)

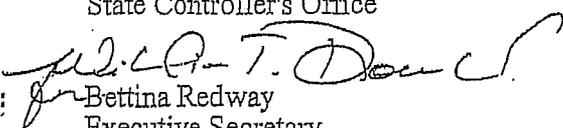
If you have any questions, please contact Al Davis at (916) 322-3009 or Annette Stephenson at (916) 322-4462.

cc: Bill Dowell, State Treasurer's Office
Erica Jones, State Treasurer's Office
Greg Bruss, Department of Finance
Phillip Gee, State Controller's Office, Division of Accounting & Reporting

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

DATE: August 9, 2010

TO: Kathy Perry, Chief
Division of Accounting & Reporting
State Controller's Office

FROM:  Bettina Redway
Executive Secretary
Pooled Money Investment Board

SUBJECT: Surplus Money Investment Fund Participation Request

Attached is a request from the Department of Insurance, for participation of the following fund in the Surplus Money Investment Fund:

Special Deposit Fund
Litigation Deposit Fund
Fund Number 0942242

Also enclosed is the recently completed AUD 10 Form. Please research this request and provide recommendation to this office. I am notifying the Department of Finance of this request by copy of this letter.

Enclosures

cc: Bill Dowell, State Treasurer's Office
Greg Bruss, Department of Finance
Alan Davis, State Controller's Office

DEPARTMENT OF INSURANCE
ADMINISTRATION & LICENSING SERVICES BRANCH
ACCOUNTING SERVICES BUREAU
300 CAPITOL MALL, 1400
SACRAMENTO, CA 95814
(916) 492-3381
(916) 322-1941 (FAX)
www.insurance.ca.gov



July 29, 2010

Bill Dowell
Pooled Money Investment Board
State Treasurer's Office
915 Capitol Mall
Sacramento, CA 95814

Subject: Request to participate in the Surplus Money Investment Fund

The California Department of Insurance (CDI) is submitting this written request to your office for approval to establish a Trust Account in the Surplus Money Investment Fund.

CDI has a special deposit fund account 0942001-0845-1945-502, Litigation Deposit Fund. This account is used to hold money in trust obtained as a result of an investigation and/or regulatory activities. Funds will be disbursed or refunded to the rightful owners upon resolution of the investigation and disposition identified.

This fund was established long time ago and the period of availability has been extended twice on 1/16/2002 and on 4/2/2007. Currently, the period of availability is until 12/31/2011. At the time when the fund was set up, we did not request this fund to be in an interest-bearing account and did not submit a written request to you for participation in the Surplus Money Investment Fund.

As of 12/31/2009, we only had \$3,572.00 in the account for years; however, since the beginning of 2010, we have deposited \$83,287.06 in the account. As of 4/30/2010, we have \$86,859.06 as the account balance.

We anticipate to have funds deposited into this account continuously and would like to request these monies accrue interest earnings which require approval from your office.

A completed "Request to State Controller to Establish Special Deposit Fund Account" (Form AUD10) has been approved by the Department of Finance and forwarded to the State Controller's Office requesting the changes to this account.

If you have any questions, please contact Theresa Li at (916) 492-3212 or by e-mail at tlh@insurance.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Merita Chung".

Merita Chung
Chief, Accounting Services Bureau

Enclosure

Rec'd
8/6/10



DEPARTMENT OF
FINANCE

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

July 15, 2010

Ms. Merita Chung
Chief, Accounting Services Bureau
Department of Insurance
300 Capitol Mall, 1400
Sacramento, CA 95814

Dear Ms. Chung:

Request to Amend Special Deposit Fund

We have reviewed your request, dated June 21, 2010, to allow the Litigation Deposit Fund to participate in the Surplus Money Investment Fund (SMIF). In order for this SDF to be interest bearing, it must have a unique subfund. The existing Litigation Deposit Fund (0942001) will be closed and re-established as an SDF account with a unique subfund.

Based upon the information provided and with the concurrence of your Department of Finance budget analyst, we approve your request. By copy of your request the State Controller's Office (SCO) will close the existing SDF account. Our office will forward the AUD 10 form to the SCO for processing. A copy of the approved form will be sent to your department when processing is complete.

To allow the new Litigation Deposit Fund SDF to participate in SMIF, please submit a request to Bill Dowell, Pooled Money Investment Board, at the State Treasurer's Office.

If you have any questions, please contact Rita Alarcon at (916) 445-3434, extension 2140 or e-mail Rita.Alarcon@dof.ca.gov.

Sincerely,

Larry Satter
Assistant Chief
Fiscal Systems and Consulting Unit

Attachments

cc: Phillip Gee, Division of Accounting and Reporting, State Controller's Office
Willem Schaafsma, Corrections and General Government, Department of Finance

2010 JUL 19 PM 12:53

RECEIVED OFFICE

REQUEST TO STATE CONTROLLER TO ESTABLISH OR AMEND SPECIAL DEPOSIT FUND ACCOUNT

SUBMIT ORIGINAL TO DEPARTMENT OF FINANCE. UPON APPROVAL, DEPARTMENT OF FINANCE WILL FORWARD ORIGINAL TO STATE CONTROLLER'S OFFICE FOR PROCESSING. WHEN ACCOUNT HAS BEEN ESTABLISHED, AN ACKNOWLEDGED COPY WILL BE RETURNED TO THE AGENCY, AFTER WHICH CLAIMS MAY BE SUBMITTED.

UNLESS EXCEPTED BY LAW, EXPENDITURES FROM THIS ACCOUNT ARE SUBJECT TO GENERAL STATE LAWS GOVERNING THE EXPENDITURE OF STATE FUNDS (SEE 1 OPS, CAL. ATTY. GEN. 90). THIS INCLUDES CONTRACT, PURCHASE AND CIVIL SERVICE REQUIREMENTS, BOARD OF CONTROL RULES, APPROVALS BY DEPARTMENT OF GENERAL SERVICES AND ATTORNEY GENERAL, ETC.

CLAIM SCHEDULE WILL SHOW APPROPRIATION AS GOVERNMENT CODE (GC) SECTION 10370 AND THE ACCOUNT TITLE.

UNDER THE PROVISIONS OF GC SECTION 10370 AND STATE ADMINISTRATIVE MANUAL SECTION 18420 PLEASE ESTABLISH OR AMEND THE FOLLOWING SPECIAL DEPOSIT FUND ACCOUNT.

Proposed Account Title:
Department of Insurance - Litigation Deposit Fund

Source of Money:
Amount obtained during investigation by the Fraud Investigation or other Department regulatory activities.

Purpose of Account:
To hold money in trust obtained as a result of investigation and/or regulatory activities in an interest-bearing account.

Date of Trust Instrument: _____ Department of Finance Approval: _____
By: *Mary Scott* Date: *7/30/10*

Disposition of Residue:
Funds will be returned to the rightful owners

Expenditures Authorized:
Funds will be disbursed or refunded to the rightful owners upon resolution of the investigation and disposition identified.

Period of Availability:
~~7/30/2010~~ 12/31/2011 *RA*

Department: Department of Insurance Organization Code: 0845

Contact Person: Merita Chung Title: Chief, Accounting Services Bureau

Signs: *Merita C* Date: *June 21, 2010*

STATE CONTROLLER USE ONLY

Remarks:

Account Established:
Date:

FUND	AGENCY	FY	REF/ITEM
0942242	0845	1945	501

BUREAU CHIEF
DIVISION OF ACCOUNTING AND REPORTING