



**DEPARTMENT OF FINANCIAL SERVICES**  
*Division of Treasury – Bureau of Collateral Management*

**COLLATERAL CONTROL AGREEMENT  
PUBLIC DEPOSITS PROGRAM**

**I. DATE OF AND PARTIES TO THE AGREEMENT**

This agreement is effective \_\_\_\_\_, \_\_\_\_\_. The parties to this agreement are the **Chief Financial Officer, State of Florida ( hereinafter referred to as the “CFO” )** ; the **Pledgor**, \_\_\_\_\_, also referred to as the **Qualified Public Depository (QPD)**, and if one is used, the **Operating Subsidiary**, \_\_\_\_\_ and the **Custodian**, \_\_\_\_\_ and, if one is used the **Custodian’s Agent**, \_\_\_\_\_.

**II. AGREEMENT**

**A. The pledgor agrees to the following provisions:**

- (1) The pledgor shall own the pledged collateral and acknowledge that the CFO has a perfected security interest. The pledged collateral shall be eligible collateral and shall be at least equal to the amount of required collateral.
- (2) The pledgor grants to the CFO an interest in pledged collateral used as security for Florida public deposits. The pledgor shall not enter into or execute any other agreement related to the pledged collateral that would create an interest in or lien on that collateral in any manner in favor of any third party without the written consent of the CFO.
- (3) The pledgor shall not grant the custodian any lien that attaches to the collateral in favor of the custodian that is superior or equal to the security interest of the CFO.
- (4) The pledgor agrees that the CFO may without notice to or consent by the pledgor, require the custodian to comply with and perform any and all requests and orders directly from the CFO. These shall include, but are not limited to, liquidating all collateral and submitting the proceeds directly to the CFO in the name of the CFO only or transferring all collateral into an account designated solely by the CFO.
- (5) The pledgor acknowledges that the CFO may, without notice to or consent by the pledgor, require the custodian to hold principal payments and income for the benefit of the CFO.
- (6) The pledgor shall initiate collateral transactions on forms prescribed by the CFO in the following manner:
  - (a) A deposit transaction of eligible collateral may be made without prior approval from the CFO provided: security types that have restrictions have been approved in advance of the transaction by the CFO; simultaneous notification is given to the CFO; and the custodian has not received notice from the CFO prohibiting deposits without prior approval.
  - (b) A substitution transaction of eligible collateral may be made without prior approval from the CFO provided: security types that have restrictions have been approved in advance of the transaction by the CFO; the market value of the securities to be substituted is at least equal to the market value amount of the securities to be withdrawn; simultaneous notification is given to the CFO; and the custodian has not received notice from the CFO prohibiting substitution.
  - (c) A transfer of collateral between accounts at a custodian requires the CFO’s prior approval. The collateral shall be released subject to redeposit in the new account with a pledge to the CFO intact.
  - (d) A transfer of collateral from a custodian to another custodian requires the CFO’s prior approval and a valid collateral agreement with the new custodian. The collateral shall be released subject to redeposit at the new custodian with a pledge to the CFO intact.

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- (e) A withdrawal transaction requires the CFO's prior approval. The market value of eligible collateral remaining after the withdrawal shall be at least equal to the amount of required collateral. A withdrawal transaction shall be executed for the release of any pledged collateral including maturity or call proceeds.
- (f) Written notice shall be sent to the CFO to remove from the inventory of pledged collateral a pay-down security that has paid out with zero principal remaining.
- (7) If pledged collateral includes definitive (physical) securities in registered form which are in the name of the pledgor or a nominee, the pledgor shall deliver the following documents when requested by the CFO:
  - (a) A separate certified power of attorney in a form prescribed by the CFO for each issue of securities.
  - (b) Separate bond assignment forms as required by the bond agent or trustee.
  - (c) Certified copies of resolutions adopted by the pledgor's governing body authorizing execution of these documents.
- (8) The pledgor is responsible for all costs necessary to the functioning of this collateral agreement or associated with confirmation of pledged collateral to the CFO and acknowledges that these costs shall not be a charge against the CFO or his or her interests in the pledged collateral.
- (9) The pledgor, if notified by the CFO, shall not be allowed to use a custodian if that custodian fails to complete the collateral agreement, releases pledged collateral without the CFO's approval, fails to properly complete confirmations of pledged collateral, fails to honor a request for examination of definitive pledged collateral and records of book-entry securities, or fails to provide requested documents on definitive securities. The period for disallowing the use of a custodian shall be 1 year.
- (10) The pledgor is subject to the jurisdiction of the courts of the state of Florida, or of courts of the United States located within the state of Florida, for the purpose of any litigation arising out of Chapter 280, Florida Statutes (F.S.), "Florida Security for Public Deposits Act" (the Act).
- (11) The pledgor is responsible and liable to the CFO for any action of agents the pledgor uses to execute collateral transactions or submit reports to the CFO.
- (12) The pledgor agrees that any information, forms, or reports electronically transmitted to the CFO shall have the same enforceability as a signed writing.
- (13) The pledgor shall submit proof that authorized individuals executed this collateral agreement on behalf of the pledgor.
- (14) The pledgor agrees by resolution of its board of directors that collateral agreements entered into in order to hold Florida public deposits have been formally accepted and constitute official records of the pledgor.
- (15) The pledgor is bound by any other provisions found necessary for a perfected security interest in collateral under the Uniform Commercial Code.

### **B. The custodian agrees to the following provisions:**

- (1) The custodian shall have no responsibility to ascertain whether the market value of pledged securities is at least equal to the amount of required collateral nor whether the pledged securities are eligible collateral.
- (2) The custodian shall hold pledged collateral in a custody account for the CFO to secure Florida public deposits. The custodian shall not enter into or execute any other agreement related to the collateral that would create an interest in or lien on that collateral in any manner in favor of any third party without the written consent of the CFO.
- (3) The custodian agrees that any lien that attaches to the collateral in favor of the custodian shall not be superior or equal to the security interest of the CFO.
- (4) The custodian shall, without notice to or consent by the pledgor, comply with and perform any and all requests and orders directly from the CFO. These include, but are not limited to, liquidating all collateral and submitting the proceeds directly to the CFO in the name of the CFO only or transferring all collateral into an account designated solely by the CFO.
- (5) The custodian shall consider principal payments on pay-down securities and income paid on pledged collateral as the property of the pledgor and shall pay thereto provided the custodian has not received written notice from the CFO to hold such principal payments and income for the benefit of the CFO.

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- (6) The custodian shall process collateral transactions on forms prescribed by the CFO in the following manner:
  - (a) A deposit transaction of eligible collateral may be made without prior approval from the CFO unless the custodian has received notice from the CFO requiring the CFO's prior approval.
  - (b) A substitution transaction of eligible collateral may be made without prior approval from the CFO provided the pledgor certifies the market value of the securities to be substituted is at least equal to the market value amount of the securities to be withdrawn and the custodian has not received notice from the CFO prohibiting substitution.
  - (c) A transfer of collateral between accounts at a custodian requires the CFO's prior approval. The collateral shall be released subject to redeposit in the new account with a pledge to the CFO intact. The custodian must provide the CFO with confirmation of the transfer within 5 business days of the redeposit.
  - (d) A transfer of collateral from a custodian to another custodian requires the CFO's prior approval. The collateral shall be released subject to redeposit at the new custodian with a pledge to the CFO intact. The new custodian must provide the CFO with confirmation of the transfer within 5 business days of the redeposit.
  - (e) A withdrawal transaction requires the CFO's prior approval. A withdrawal transaction shall be executed for the release of any pledged collateral including maturity or call proceeds.
- (7) If pledged collateral includes definitive (physical) securities in registered form which are in the name of the custodian or a nominee, the custodian shall deliver the following documents when requested by the CFO:
  - (a) A separate certified power of attorney in a form prescribed by the CFO for each issue of securities.
  - (b) Separate bond assignment forms as required by the bond agent or trustee.
  - (c) Certified copies of resolutions adopted by the custodian's governing body authorizing execution of these documents.
- (8) The custodian acknowledges that the pledgor is responsible for all costs necessary to the functioning of this collateral agreement or associated with confirmation of securities pledged to the CFO and that these costs shall not be a charge against the CFO or his or her interests in the pledged collateral.
- (9) The custodian agrees to provide confirmation of pledged collateral upon request from the CFO. This confirmation shall be provided within 15 business days after the request, in a format prescribed by the CFO, and shall require no identification other than the pledgor name and location, unless special account identification is provided here:

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Special Account Identification
- (10) The custodian is subject to the jurisdiction of the courts of the state of Florida or of courts of the United States located within the state of Florida for the purpose of any litigation arising out of the Act.
- (11) The custodian is responsible and liable to the CFO for any action of agents the custodian uses to hold and service collateral pledged to the CFO.
- (12) The custodian agrees that any information, forms, or reports electronically transmitted to the CFO shall have the same enforceability as a signed writing.
- (13) The CFO has the right to examine definitive pledged collateral and records of book-entry securities during the regular business hours of the custodian without cost to the CFO.
- (14) The responsibilities of the custodian for the safekeeping of the pledged collateral shall be limited to the diligence and care usually exercised by a banking or trust institution toward its own property.
- (15) If there is any change in the Uniform Commercial Code, as adopted by law in this state, which affects the requirements for a perfected security interest in collateral, the CFO shall notify the custodian of such change. The custodians shall have a period of 180 calendar days after such notice to withdraw as custodian if the custodian cannot provide the required custodial services.

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### III. DEFINITIONS:

- A. "Custodian" means the CFO or any bank, savings association, or trust company that:
- (1) Is organized and existing under the laws of this state, any other state, or the United States;
  - (2) Has executed all forms required under this chapter or any rule adopted hereunder;
  - (3) Agrees to be subject to the jurisdiction of the courts of this state, or of courts of the United States which are located within this state, for the purpose of any litigation arising out of this chapter; and
  - (4) Has been approved by the CFO to act as a custodian.
- B. "Custodian's Agent" means the individual or company authorized by the custodian to act on the custodian's behalf in collateral transactions by the pledgor. Approval requirements are detailed in Section 69C-2.030, Florida Administrative Code .
- C. "Operating Subsidiary" means the QPD's 100-percent owned corporation that has ownership of pledged collateral. The operating subsidiary may have no powers beyond those that its parent QPD may itself exercise. The use of an operating subsidiary is at the discretion of the QPD and must meet the CFO's requirements.
- D. "Pledged Collateral" means securities or cash held separately and distinctly by an eligible custodian for the benefit of the CFO to be used as security for Florida public deposits. This includes maturity and call proceeds.
- E. "Pledgor" means the QPD and, if one is used, operating subsidiary.
- F. "QPD" or Qualified Public Depository means any bank, savings bank, or savings association that:
- (1) Is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States.
  - (2) Has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state.
  - (3) Has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811 et seq.
  - (4) Has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits.
  - (5) Meets all the requirements of this chapter.
  - (6) Has been designated by the CFO as a QPD.
- G. "Required Collateral" of a QPD means eligible collateral having a market value equal to or in excess of the amount required to be pledged pursuant to Section 280.04, F.S., as computed and reported monthly or when requested by the CFO.
- H. "CFO" means the Chief Financial Officer of the State of Florida.

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**IV. AUTHORIZED SIGNATURE OF PARTIES:**

**A. Qualified Public Depository Oath**

**"I DECLARE, under the penalties of perjury, that I have read the foregoing Collateral Control Agreement and agree to the provisions."**

\_\_\_\_\_  
Printed Legal Name of QPD (Pledgor)

{Seal}

\_\_\_\_\_  
Home Office City and State

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Printed Name of Authorized Officer

\_\_\_\_\_  
Title of Authorized Officer

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_

day of \_\_\_\_\_, \_\_\_\_\_

by \_\_\_\_\_  
Name of Person Making Statement

\_\_\_\_\_  
Signature of Notary Public

{Seal}

\_\_\_\_\_  
Commissioned Name of Notary Public

Personally Known  OR Produced Identification

\_\_\_\_\_  
Type of Identification Produced

**B. Operating Subsidiary Oath**

**"I DECLARE, under the penalties of perjury, that I have read the foregoing Collateral Control Agreement and agree to the provisions."**

\_\_\_\_\_  
Printed Legal Name of Operating Subsidiary (Pledgor)

{Seal}

\_\_\_\_\_  
Home Office City and State

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Printed Name of Authorized Officer

\_\_\_\_\_  
Title of Authorized Officer

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_

day of \_\_\_\_\_, \_\_\_\_\_

by \_\_\_\_\_  
Name of Person Making Statement

\_\_\_\_\_  
Signature of Notary Public

{Seal}

\_\_\_\_\_  
Commissioned Name of Notary Public

Personally Known  OR Produced Identification

\_\_\_\_\_  
Type of Identification Produced

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**C. Custodian Oath**

**"I DECLARE, under the penalties of perjury, that I have read the foregoing Collateral Control Agreement and agree to the provisions."**

\_\_\_\_\_  
Printed Legal Name of Custodian

{Seal}

\_\_\_\_\_  
Home Office City and State

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Printed Name of Authorized Officer

\_\_\_\_\_  
Title of Authorized Officer

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_

day of \_\_\_\_\_, \_\_\_\_\_

by \_\_\_\_\_  
Name of Person Making Statement

\_\_\_\_\_  
Signature of Notary Public

{Seal}

\_\_\_\_\_  
Commissioned Name of Notary Public

Personally Known  OR Produced Identification

\_\_\_\_\_  
Type of Identification Produced

**D. Custodian's Agent Oath**

**"I DECLARE, under the penalties of perjury, that I have read the foregoing Collateral Control Agreement and agree to the provisions."**

\_\_\_\_\_  
Printed Legal Name of Custodian's Agent (Custodian)

{Seal}

\_\_\_\_\_  
Home Office City and State

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Printed Name of Authorized Officer

\_\_\_\_\_  
Title of Authorized Officer

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

Sworn to and subscribed before me this \_\_\_\_\_

day of \_\_\_\_\_, \_\_\_\_\_

by \_\_\_\_\_  
Name of Person Making Statement

\_\_\_\_\_  
Signature of Notary Public

{Seal}

\_\_\_\_\_  
Commissioned Name of Notary Public

Personally Known  OR Produced Identification

\_\_\_\_\_  
Type of Identification Produced

**E. Chief Financial Officer, State of Florida's Approval**

\_\_\_\_\_  
Chief Financial Officer, State of Florida {Seal}