

# **CITY OF LEAGUE CITY INVESTMENT POLICY**

## **1.0 POLICY**

The City will conform to all state laws and statutes which govern the investment of public funds, the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act).

It is the policy of the City of League City (the City) to invest public funds in a safe manner which will provide the highest rate of return with the maximum security while meeting the daily cash flow demands of the City. The yield on investments will emphasize a rate of return commensurate with the City's risk constraints.

## **2.0 SCOPE**

This Investment Policy applies to all financial assets of the City at the present time, any funds to be created in the future, and any other funds held in custody by the City, unless expressly prohibited by law. These funds are accounted for in the City's Comprehensive Annual Financial Report and include the General Fund, the Enterprise Fund, the Debt Service Funds, the Special Revenue Funds, the Internal Service Funds, and the Capital Project Funds. When possible, available funds will be accumulated for investment purposes to increase the purchasing power of the City.

## **3.0 INVESTMENT STRATEGY**

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

### **(A) Operating Funds**

City Funds Included: General Fund, Utility Fund and Special Revenue Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Operating Fund; except as excluded in section 11 of this Policy.

Safety of Principal - All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations will however occur. Strict monitoring of the creditworthiness of the portfolio will minimize the overall market risk of the portfolio.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security- type of less than a quarter of a percentage point shall define an efficient secondary market.

Liquidity - the Operating Fund requires the greatest short-term liquidity of any of the fund types. Short-term investment pools, money market accounts, and money market mutual funds shall provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities may be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of the 2-year Treasury Note yield averaged over 24 months shall be the minimum yield objective.

## (B) Construction Funds

City Funds Include: all Capital Project Funds, including Water and Wastewater Capital Improvement Funds.

Suitability - Any investment eligible in the Investment Policy is suitable for the Construction Fund, except as excluded in section 11 of this Policy

Safety of Principal - All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations will however occur. By managing the Construction Fund portfolio to not exceed the anticipated expenditure schedule, the market risk of the overall portfolio will be minimized.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market “spreads” between the bid and offer prices of a particular security- type of less than a quarter of a percentage point shall define an efficient secondary market.

Liquidity - Construction programs have reasonably predictable draw down schedules; therefore, investment maturities shall generally follow the anticipated cash flow requirements. Investment pools, money market accounts and money market mutual funds shall provide readily available funds generally equal to at least one month’s anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the City is best served by locking in most investments. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or changes in investment amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable security types and portfolio restrictions is the desired objective.

## (C) Debt Service Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Fund, except as excluded in section 11 of this Policy.

Safety of Principal - All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations will however occur. By managing the Debt Service Fund portfolio to not exceed the debt service payment schedule, the market risk of the overall portfolio will be minimized.

Marketability - Securities with active and efficient secondary markets are not required as the event of an unanticipated cash requirement is not probable.

Liquidity - Debt service funds have predictable payment schedules. Therefore, investment maturities shall not exceed the anticipated cash flow requirements. Investment pools, money market accounts and money market mutual funds shall provide a competitive yield alternative for short term fixed maturity investments.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the City is best served by locking in most investments. If the arbitrage yield cannot

be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or changes in investment amounts. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of the 2-year Treasury Note yield averaged over 24 months shall be the minimum yield objective.

#### (D) Debt Service Reserve Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Reserve Fund, except as excluded in section 11 of this Policy. Bond and loan documentation constraints and insurance company restrictions create issue-specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high-quality securities with no perceived default risk. Market price fluctuations will however occur. Managing the Debt Service Reserve Fund portfolio to not exceed the call provisions of the bond issue, reduces the investment's market risk in the event that the City's bonds are called, and the reserve fund is liquidated. No investment maturity shall exceed the final maturity of the bond issue. Annual mark-to-market requirements or specific maturity and average life limitations within the bond issues' documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve funds.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The funds are deposited to provide annual debt service payment protection to the City's bond holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the applicable arbitrage yield for a specific bond issue, the City is best serviced by locking in investment maturities and reducing liquidity. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable security types and portfolio restrictions is the desired objective.

#### 4.0 PRUDENCE

Investments shall be made with judgment and care under circumstances, then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

Investment officers acting in good faith and in accordance with this Policy shall be relieved of personal liability. An investment officer shall be judged on the prudence of the overall portfolio, not any single investment transaction, over which the investment officer had control.

## 5.0 OBJECTIVES

The primary objectives, in priority order, of the City's investment activities shall be:

**Safety:** Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification along credit and maturity lines is required in order to reduce the potential losses on individual investments.

**Liquidity:** The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

**Return on Investments:** The City's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio.

The strategy of the portfolio is to assure cash flows are matched with adequate liquidity. This may be accomplished by purchasing quality, short-term securities in a ladder structure or utilizing an investment pool.

## 6.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from the Act, specifically Sec. 2256.005 (f)-(h). Management responsibility for the investment program is hereby delegated to the Director of Finance, the Assistant Director of Finance and the Treasury Manager, who shall establish written procedures for the operation of the investment program consistent with this Investment Policy, and for purposes of this Policy shall be referred to herein as the Investment Officers. Procedures should include references to: safekeeping agreements, repurchase agreements, wire transfers agreements, collateral/depository agreements, and banking services contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No persons may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officers. The Investment Officers will operate under the oversight of the Finance Committee (the Committee) who shall review the Investment Policy, market conditions, authorized broker/dealers, approved investment training sources, and working investment strategy.

The City shall provide periodic training courses and seminars in order to ensure the quality and capability of the City's investment personnel making investment decision in compliance with the Act. Investment Officers shall receive ten (10) hours of initial training within twelve (12) months after taking office or assuming investment duties. The Investment Officers shall continue to attend investment training no less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than eight (8) hours of instruction. Training sessions must include education in diversification of investment portfolio, investment controls, security risks, strategy risks, market risks, and compliance with the Act. Training must be provided by an independent source whose course specifically is stated as complying with training requirements under the Act. For purposes of this Policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher learning or any other sponsor other than a business organization with whom the City of League City may engage in an investment transaction. Thus, these independent sources will be approved by the Finance Committee and may include training sessions sponsored by Government Treasurers Organization of Texas (GTOT), University of North Texas (UNT), Government Finance Officers Association of Texas (GFOAT), and Texas Municipal League (TML).

## 7.0 FINANCE COMMITTEE

The Finance Committee is established by Section 2-219 of the Code of Ordinances of the City of League City.

**Meetings:** The Investment Officers or any member of the Committee shall have the power to call

meetings of the Committee. Meetings shall be called no less often than quarterly, or as required.

Responsibilities: It shall be the responsibility of the Committee to:

- 1) Review all working investment strategies.
- 2) Review and adopt annually a list of authorized broker/dealers and approved investment training sources.
- 3) Notify the Investment Officers in the event any information comes to their attention that may have a material adverse effect upon the portfolio or marketability of any of the investments purchased under the provisions of the Policy.
- 4) Review the City's general portfolio activity and performance for compliance with this Policy and recommend any amendments to this Policy to the City Council. Also recommend any actions necessary to bring the City into compliance with the scope of the Investment Policy and the Act.
- 5) Advise City investment staff as to recommendations relative to said portfolio activity/performance.
- 6) Inform the City Council of unaddressed concerns with the management of the City's investment portfolio.

Limits of liability: The City shall provide for the defense and indemnification of any Committee member who is made a party to any suit or proceeding, other than by any actions of the City, or against whom a claim is asserted by reason of their actions taken within the scope of their service as an appointed member of the Committee. Such indemnity shall extend to judgments, fines, and amounts paid in settlement, of any such claim, suit or proceeding, including any appeal thereof. This protection shall extend only to members who have acted in good faith and in a manner which they reasonably believe to be in, or not opposed to, the best interest of the City.

## 8.0 ETHICS AND CONFLICTS OF INTEREST

Members of the Committee and all Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Members of the Committee and all Investment Officers shall disclose to the Director of Finance any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial investment positions that could be related to the performance of the City, particularly with regard to the time of purchases and sales.

The Investment Officers shall not have any personal business relationship and any relationship with the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City.

## 9.0 AUTHORIZED FINANCIAL INSTITUTIONS and BROKER/DEALERS

The Investment Officers will maintain a list of broker/dealers who are authorized to provide investment services to the City.

Financial Institutions seeking to establish eligibility for the City's competitive deposit placement programs must have its main office or a branch office in the State of Texas. No public deposit shall be made except in a qualified public depository as established by state laws.

For broker/dealers of government securities and other investments, the Committee shall select only broker/dealers who are licensed and in good standing with the Texas Department of Securities, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, or other applicable self-regulatory organization. The approved broker/dealer list appears as Exhibit B.

Before engaging in investment transactions with any local government investment pool or discretionary investment management firm, the Investment Officers shall receive from said firm a signed Investment Policy Affidavit similar in content to Exhibit “A”).

In the event the City is not utilizing a Registered Investment Advisor, individual security transactions will be accomplished through the competitive bidding process. When appropriate, a minimum of three quotes will be received from authorized broker/dealers. The investment decision will be made with the broker/dealer offering the “best value” to the City within the specified maturity window. If three quotes are not received within the time frame specified in the solicitation of the solicitation, the Investment Officer may act based upon the responses received as long as the solicitation of and failure to receive the quotes is documented. Evaluations of investments purchased must have the signature of at least two Investment Officers.

## 10.0 AUTHORIZED AND SUITABLE INVESTMENTS

The City is empowered by statute to invest in the following:

- (1) Obligations of, or Guaranteed by Governmental Entities except for those listed under section 11 (1-5)
  - a) Obligations of the United States or it’s agencies and instrumentalities including the Federal Home Loan Banks;
  - b) Direct obligations of this state or its agencies and instrumentalities;
  - c) Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
  - d) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
  - e) Obligations of agencies, counties, cities, and other political subdivisions located in the State of Texas with a rating no lower than AA by Standard and Poor’s or equivalent rating by Moody’s Investor Services.
  - f) Bond issued, assumed, or guaranteed by the State of Israel
  - g) Interest-bearing banking deposits that are guaranteed or issued by:
    - i. The Federal Deposit Insurance Corporation or its successor; or
    - ii. The National Credit Union Share Insurance Fund or its successor; and
  - h) Interest-bearing banking deposits other than those described in subsection (g) if it is in compliance with 2256.009(a)8 of the Act.
- 2) Certificates of Deposit and other forms of deposit

- a) Issued by a federally insured depository that has its main office or a branch office in the State of Texas, guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
- b) All collateralized deposits, in excess of the FDIC or NCUSIF, must be collateralized as described by Section 2256.009 (a) of the Act or in accordance with Chapter 2257. Collateral must be held by a third party and valued at least on a monthly basis.

### 3) Mutual Funds (Including Money Market Mutual Funds)

Shares of, or other interests in, any no load open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as amended from time to time, provided that:

- a) No-load Money Market Mutual Funds
  - i. is registered with and regulated by the Securities and Exchange Commission;
  - ii. Provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, and
  - iii. And complies with federal Securities and Exchange Commission Rule 2a-7, promulgated under the Investment Company Act of 1940.
- b) In addition to a no-load money market mutual fund permitted under subsection (a), a no-load mutual fund is an authorized investment if the mutual fund is:
  - i. is registered with the Securities and Exchange Commission;
  - ii. has an average weighted maturity of less than two years; and
  - iii. Either:
    - 1. has a duration of one year or more and is invested exclusively in obligations approved in the Public Funds Investment Act; or
    - 2. has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset – backed securities.
- c) The City may not
  - i. invest in the aggregate more than 15% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in subsection (b);
  - ii. invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described in subsection (b); or
  - iii. invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in subsection (a) or (b) in an amount that exceeds 10 percent of the total assets of the mutual fund.

#### 4) Government/Private Sponsored Investment Pool

The investment pool must provide the Investment Officer with the following:

- a) offering circular that contains specific detailed information as described in the Act,
- b) investment transaction confirmations and detailed monthly transaction and performance reports as described in the Act,
- c) be continuously rated no lower than AAA or AAA-m or an equivalent rating,
- d) be marked-to-market daily if using amortized cost or fair value accounting and maintain a market value ratio of between .995 and 1.005,
- e) maintain stable net asset value of \$1.00 when rounded and expressed to two decimal places, and
- f) maintain ongoing compliance with the Act.

#### 5) Repurchase Agreements

Repurchase Agreements which are fully collateralized as authorized by the Act. Flexible repurchase agreements may be used for capital project funds but will not extend past the anticipated expenditure schedule.

If an investment's rating is downgraded below the minimum required by the Act, the Investment Officers shall take all prudent measures that are consistent with this Investment Policy to liquidate the investment that does not have the minimum rating.

### 11. NON-APPROVED INVESTMENTS

The following are not authorized under this Investment Policy for investment:

- 1) Obligations whose payment represents the coupon payment on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (Interest only bonds).
- 2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (Principal only bonds).
- 3) Collateralized mortgage obligations that have a weighted average life of greater than 10 years.
- 4) Collateralized mortgage obligations the interest rate which is determined by an index that adjusts opposite to the changes in a market index. (Inverse floaters)

### 12.0 COLLATERALIZATION

Collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. The collateralization level must be adequate to cover all of the City's principal and accrued interest. In order to anticipate market changes and provide a level of security for all funds, when marketable securities are pledged, the market value of the pledged securities will be at least 102% of the market value of principal and accrued interest of the City's investment. When FHLB Letters of Credit are pledged, the value of



the Letter of Credit must be at least 100% of the principal and accrued interest of the City's investment.

The City chooses to limit collateral to obligations eligible under the Public Funds Collateral Act.

Collateral will always be held by an independent third party acceptable to the City. A clearly marked evidence of ownership (safekeeping or pledge receipt) must be supplied to the City and retained.

All deposits shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- 1) The agreement must be in writing;
- 2) The agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- 3) The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- 4) The agreement must be part of the Depository's "official record" continuously since its execution.

The right of custodial substitution is granted, subject to City approval.

### 13.0 SAFEKEEPING

All securities purchased by the City under this Policy shall be designated as assets of the City, shall be conducted on a delivery-versus-payment (DVP) basis and shall be protected through the use of a third-party custody/safekeeping agent.

### 14.0 DIVERSIFICATION

Diversification by investment type shall be maintained by maintaining adequate cash- equivalent balances, and staggering maturities based first on cash flow estimates and second market conditions.

Bond proceeds may be invested in a single security or investment if the Investment Committee determines that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation.

### 15.0 MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

### 16.0 INTERNAL CONTROL

In conjunction with the annual financial audit, the City's external auditor shall perform a compliance audit of the effectiveness of management controls on investments and adherence to the established investment policies as set forth in this document.

## 17.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risks, constraints, and the cash flow needs. Weighted average yield to maturity shall be the portfolio performance measurement standard.

Given the City's investment strategy, the basis used by the Investment Officers to determine whether market yields are being achieved shall be the yield of a 2-year Treasury Note with a 24-month average.

## 18.0 REPORTING

The Investment Officers in conjunction with the Finance Committee shall submit to the City Council a signed investment report no less than on a quarterly basis. The report will contain sufficient information to provide for a comprehensive review of investment activity, current investment instruments, independent and timely pricing information, and performance for that period. The investment report also shall address any variations noted from the investment strategy of the City. For each pooled fund group, the report shall present for the reporting period the beginning market value and the ending market value. The investment report shall present the book value and market value for each investment at the end of the reporting period. The market value shall be obtained from an independent source. The report shall also state the maturity date for each investment, the allocation of each investment to a fund or pool, any accrued interest, and the compliance with the Investment Policy and the Act.

Additionally, timely transaction data will be available, upon request, and kept on file, to record and document investment activity. Other information may be included in the report, such as recommendations to amend current specific investment strategies, and analysis of current market conditions. A formal review of the quarterly reports by an independent auditor will be performed in conjunction with the City's annual audit.

## 19.0 EXISTING INVESTMENTS

The City is not required to liquidate investments that were authorized investments at the time of purchase.

## 20.0 INVESTMENT POLICY ADOPTION

This Policy, with its incorporated strategies, shall be adopted by resolution of the City Council, and any modifications made thereto must be approved by the City Council. City Council shall take formal action to review the Investment Policy and strategies on an annual basis.

## EXHIBIT A

CITY OF LEAGUE CITY

INVESTMENT POLICY AFFIDAVIT (Example)

Name of  
Organization \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone #: (     ) \_\_\_\_\_ Fax #:(     ) \_\_\_\_\_  
Email: \_\_\_\_\_

I hereby certify that I am the qualified representative as defined in Section 2256.002(10) of the Public Funds Investment Act of the above-named business organization offering to engage in an investment transaction with the City of League City, Texas.

I have received and have thoroughly reviewed the City of League City Investment Policy.

I acknowledge that the above named business organization of which I am a qualified representative has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City of League City and the organization that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio; requires an interpretation of subjective investment standards; or relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

I acknowledge that this instrument is transacted to comply with Chapter 2256, Government Code.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT B

### City of League City Broker/Dealer List

#### Local Government Investment Pools

TexPool Participant Services	Houston, TX
TexStar Participant Services	Dallas, TX
Texas Class Participant Services	Austin, TX
Lone Star Investment Pool	Austin, TX

#### Broker/Dealers - Current

FTN Financial (Formerly Coastal Securities)	Houston, TX
Duncan Williams	Houston, TX
Multi-Bank Securities	Chicago, IL
Wells Fargo Securities	Houston, TX
SAMCO Capital Markets, Inc	Dallas, TX
Hilltop Securities	Austin, TX
Ladenburg Thalmann	Houston, TX
BNY Mellon Capital Markets, LLC	Houston, TX
BofA Merrill Lynch	Houston, TX
D.A. Davidson & Co.	Houston, TX
StoneX	Dallas, TX
Goldman Sachs	Houston, TX
Huntington Bank	Houston, TX
J.P. Morgan	Houston, TX
Key Banc Capital Markets	Houston, TX
Raymond James	Dallas, TX
RBC Capital Markets	Dallas, TX
Stifel	Houston, TX
SunTrust Robinson Humphrey	Dallas, TX
Vining Sparks	Dallas, TX
TD Securities	Houston, TX
Rice Financial Products Co.	Houston, TX
Loop Capital Markets LLC	Dallas, TX
Amherst Pierpont Securities LLC	Houston, TX
BMO Capital Markets	Houston, TX