

**MEMO# 1772**

March 14, 1990

## **CALIFORNIA LEGISLATIVE PROPOSAL CONCERNING BEST EXECUTION IN CALIFORNIA PUBLIC FUNDS**

March 14, 1990 TO: INVESTMENT ADVISERS COMMITTEE NO. 8-90 RE: CALIFORNIA  
LEGISLATIVE PROPOSAL CONCERNING BEST EXECUTION IN CALIFORNIA PUBLIC FUNDS

As we have previously informed you, a legislative proposal has been introduced in California that would require each securities transaction in excess of \$1,000,000 for a governmental investor to be executed by a broker-dealer which offers the lowest responsible transaction cost available, regardless of whether the transaction is carried out pursuant to a soft dollar and directed brokerage arrangement. A copy of the most recent legislative proposal with amendments, is attached. Hearings are expected to be held in late March or April. If you have any comments you believe the Institute should make, please contact the undersigned by Monday, March 26, 1990. Robert L. Bunnan, Jr. Assistant General Counsel Attachment

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