

20 NCAC 07 .0404 SALE OF THE DELIVERED SECURITIES

(a) The State Treasurer shall canvass its normal buyers for the type of securities which are to be sold and all potential buyers furnished to him by the depository from among licensed dealers who either make a market in the security or are currently offering to buy the security.

(b) The State Treasurer shall sell as much of the securities as are needed to provide cash to cover the amount of the default. The State Treasurer may sell, at his sole discretion, all or part of any specific issue of security to be sold.

(c) The State Treasurer shall deposit from the proceeds of the sale the amount of any default on deposit accounts of State funds in the applicable fund of the State and shall return all unsold securities and excess cash to the depository. The State Treasurer shall provide to the depository a release for the amount of default paid and such other documentation as may be appropriate to enable the depository to pursue a claim against a third party for the amount of the default.

(d) If the default is on deposit accounts of a public depositor of a participating unit, the State Treasurer shall retain the amount of the default and shall return all unsold securities and excess cash to the depository. The State Treasurer shall determine the amount distributable from the proceeds of the sale to each public depositor, not to exceed the uninsured amount in default. The State Treasurer shall pay the amount to the public depositor after receiving from the public depositor a release, in duplicate, for the amount in default paid and such other documentation as may be appropriate to enable the depository to pursue a claim against a third party for the amount of the default.

*History Note: Authority G.S. 115C-444(b); 147-79; 159-31(b);
Eff. August 1, 1980;
Readopted Eff. February 1, 1982;
Amended Eff. April 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 5,
2016.*