



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.24.

8/27/2024

Subject:

Consent of Consolidation of PFMAM (PFM Asset Management LLC) and US BAM (U.S. Bancorp Asset Management Inc) as a single SEC registered investment adviser (RIA) under its parent company, USBAM.

Fiscal Impact:

Dept/Office:

County Finance Department

Requested Action:

It is requested that the Board of County Commissioners consent to the consolidation of PFM Asset Management LLC registered investment adviser with U.S. Bancorp Asset Management, Inc (USBAM) registered investment adviser, a subsidiary of U.S. Bancorp as a single SEC registered investment adviser under its parent company US BAM.

Authorize the County Manager to sign the Consent Letter.

Summary Explanation and Background:

In December of 2021 PFM Asset Management LLC (PFMAM) became a wholly owned subsidiary of U.S. Bancorp Asset Management Inc (USBAM) but continued to operate as a separate entity and registered investment adviser known as PFMAM, a division of USBAM. The BOCC approved this assignment of Investment Advisory Agreement on October 26, 2021.

Since the acquisition PFMAM and USBAM has been evaluating the optimal and most efficient ways to integrate PFMAM's business into U.S. Bank to serve PFMAM clients. In connection with that ongoing effort, a decision has been made to consolidate PFMAM under its parent company, USBAM, through a corporate reorganization (the Consolidation). Upon the consolidation, PFM Asset Management LLC a registered investment adviser and U.S. Bancorp Asset Management, Inc (USBAM) registered investment adviser, a subsidiary of U.S. Bancorp will become a single SEC registered investment adviser under its parent company USBAM. US BAM will continue to serve PFMAM public sector clients using the PFMAM brand name, as a division of USBAM.

PFMAM is the County's current Investment Adviser. The current contract with PFMAM expires on December 14, 2024, with the County having the option to renew.

Clerk to the Board Instructions:



Kimberly Powell, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Kimberly.Powell@brevardclerk.us

August 28, 2024

M E M O R A N D U M

TO: Kathy Prothman, County Finance

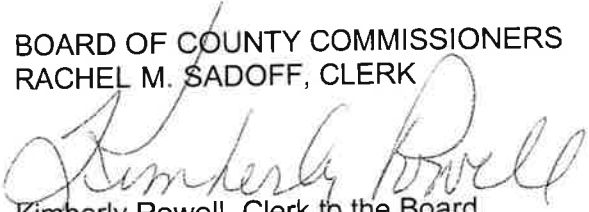
RE: Item F.24., Consent of Consolidation of PFMAM (PFM Asset Management LLC) and US BAM (U.S. Bancorp Asset Management Inc) as a Single SEC Registered Investment Adviser (RIA) Under its Parent Company, USBAM

The Board of County Commissioners, in regular session on August 27, 2024, approved consent to the consolidation of PFMAM registered investment adviser with USBAM registered investment adviser, a subsidiary of U.S. Bancorp as a single SEC registered investment adviser under its parent company USBAM; and authorized the County Manager to sign the Consent Letter. Enclosed is the executed Consent Letter.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK


Kimberly Powell, Clerk to the Board

/tr

Encl. (1)

cc: County Manager

CONSENT FORM

The undersigned Client has read the accompanying letter from PFM Asset Management LLC (the Adviser), which describes the consolidation of the Adviser's investment advisory and arbitrage rebate consulting accounts under its parent, U.S. Bancorp Asset Management, Inc. (the Consolidation), whereby Client will become a client of U.S. Bancorp Asset Management, Inc., and the Adviser will be dissolved. As noted in the letter, the Consolidation will involve a transfer of the undersigned's agreement(s), inclusive of any investment management and advisory agreement(s) and arbitrage rebate consulting agreement(s) with the Adviser (the Agreement) to the Adviser's parent organization. Although this transfer does not constitute an "assignment" of your Agreement, the Adviser is seeking your written consent.


Client should complete this Consent Form by filling in the information below, and indicating whether Client either consents or does not consent to such transfer of the Agreement in connection with the Consolidation (as described in the enclosed letter). In particular, the undersigned acknowledges that (i) it has had the opportunity to ask questions of, and to request additional information from, the Adviser concerning the Consolidation, and (ii) to the extent the undersigned believes necessary, has discussed this Consent Form with the undersigned's professional advisors (including legal and tax advisors). In the case of a Client with multiple Agreements, subsidiaries or sources of funds for which the Client is the authorized representative, the term Agreement shall, for the avoidance of doubt, apply to all Agreements with the Adviser inclusive of all the underlying accounts, subsidiaries or sources of funds allocated to the Adviser.

The undersigned hereby:

 X consents to the transfer.

 does not consent to the transfer.

Client Entity or Account Name: Brevard County Board of County Commissioners

Signature(s) of Authorized Representative: 

Name(s) of Authorized Representative: Frank Abbate

Title(s) of Authorized Representative: County Manager

Date: As approved by the Board on 8/27/2024.

**POSITIVE CONSENT LETTER
VIA EMAIL**

Re: Consolidation of PFM Asset Management LLC (PFMAM) Accounts Under its Parent, U.S. Bancorp Asset Management, Inc. (USBAM)

Dear Client:

Following the acquisition of PFMAM by USBAM in 2021, PFMAM and USBAM began working with its U.S. Bank National Association (U.S. Bank) affiliates to evaluate the optimal and most efficient ways to integrate PFMAM's business into U.S. Bank to serve PFMAM clients. In connection with that ongoing effort, a decision has been made to consolidate PFMAM's investment advisory and arbitrage rebate consulting accounts under its parent company, USBAM, through a corporate reorganization (the Consolidation).

From December 7, 2021 to present, PFMAM has been operating as a wholly-owned subsidiary of USBAM. USBAM and PFMAM are separate legal entities and maintain separate registrations as investment advisers with the U.S. Securities and Exchange Commission (SEC). Moving forward upon the consolidation, USBAM and PFMAM will become a single legal entity and a single SEC-registered investment adviser. The PFMAM entity will be dissolved and its registration with the SEC will be withdrawn. USBAM will be the continuing legal entity and registered investment adviser that will serve PFMAM clients following the Consolidation. USBAM will service PFMAM's public sector and related clients under the PFMAM brand name, operating as a division of USBAM. USBAM's current Form ADV Part 2A has been included in this communication for your reference.

PFMAM and USBAM believe that the Consolidation will allow for better collaboration between expanded teams of investment professionals and resources, enhanced risk management and governance under consolidated compliance, risk and legal resources, increased capacity to invest in technology resources and to offer additional products and services to meet client needs. Under USBAM, PFMAM's commitment to client service and education will remain unchanged. Furthermore, PFMAM does not anticipate that there will be any changes to your investment team, relationship team, or client service team in connection with the Consolidation.

Because PFMAM will become a part of USBAM, its current controlling parent company, the Consolidation will not involve an actual change in control of PFMAM. Although the Consolidation will not involve a change of control or an "assignment" of your agreement with PFMAM, inclusive of any investment management and advisory agreement and/or arbitrage rebate consulting agreement (collectively, your "Agreement"), we nevertheless are providing you with this notice of the Consolidation and seeking your written consent to the transfer of your Agreement to USBAM.

PFMAM expects the Consolidation to be effective in the fourth quarter of 2024 and will provide notice of the effective date of the Consolidation to you fourteen (14) days in advance. Please note that, prior to the Consolidation, PFMAM will continue to manage your account in the same manner as before and your Agreement will continue under the same terms and conditions. Subject to your consent, upon the Consolidation becoming effective, your Agreement will be transferred to USBAM. Your account will continue to be managed in accordance with the terms of your Agreement.

Please review and return the consent form below to your relationship manager within sixty (60) calendar days after the date of this letter. If you indicate in the form below that you do not consent to the transfer of your Agreement, your Agreement will be terminated pursuant to the terms of your Agreement with PFMAM.

If you have an Agreement that is a certificate of deposit investment program agreement (CDIA), your CDIA will not be assigned to USBAM. Upon Consolidation, your CDIA will be terminated pursuant to the terms of the CDIA. If you wish to participate in a certificate of deposit investment program offered by USBAM after the Consolidation, you will be required to sign a new agreement with USBAM.

We look forward to USBAM continuing to serve your investment needs for many years to come.

Very truly yours,

A handwritten signature in cursive script, appearing to read "John Molloy".

John Molloy
Chief Administrative Officer
PFM Asset Management LLC

A handwritten signature in cursive script, appearing to read "Jill Stevenson".

Jill Stevenson
Head of Operations, Fund Treasurer
U.S. Bancorp Asset Management, Inc.

One RIA Frequently Asked Questions

What does it mean to be one RIA?

Currently, U.S. Bancorp Asset Management, Inc. (USBAM) and PFM Asset Management LLC (PFMAM) operate as two separate U.S. Securities and Exchange Commission (SEC) registered investment advisers (RIA(s)). Under "one RIA", both USBAM and PFMAM will be able to combine our workforces, services, and technology (the Consolidation). While USBAM will be the RIA continuing post-Consolidation, the employees currently supporting PFMAM's clients will continue to do so as employees of USBAM.

Why is this happening?

Since USBAM's acquisition of PFMAM closed in December 2021, our teams have been working hard to realize the synergies anticipated as part of the acquisition. Creating a single RIA is the next step in this evolution. We believe this will allow us to:

- Work together as a single team to seek to achieve client investment goals, including synergies across investments, marketing, operations, and client experience.
- Standardize process and procedures to allow for a more seamless client experience.

This sounds like an operational change mostly to benefit you; how does this benefit me?

PFMAM and USBAM believe that the Consolidation will allow for better collaboration between expanded teams of investment professionals and resources, enhanced risk management and governance under consolidated compliance, risk and legal resources, and increased capacity to invest in technology resources and to offer additional products and services to help meet client needs.

When is this happening?

We anticipate operating under one RIA beginning in the fourth quarter of 2024 and will provide notice of the effective date of the Consolidation to you at least 14 days in advance.

What will happen to PFMAM?

PFMAM will withdraw its regulatory registration from the SEC, and the legal entity itself will be dissolved. However, USBAM will serve PFMAM public sector clients using the PFMAM brand name, as a division of USBAM (and certain personnel will operate from this PFMAM division within USBAM).

Will there be changes to my relationship management team?

Changes to your client management and service teams are not anticipated in connection with the Consolidation transaction.

You've already made so many changes over the last 18 months...what's next?

At the outset of our combined journey, we shared anticipated organizational and structural changes to the business to enhance our ability to serve you effectively. This is an exciting next chapter for both legacy PFMAM and USBAM. We are committed to continuing to evolve and identifying ways that will best meet the needs of our clients, like you. This includes technology improvements (e.g., Connect), cyber-security enhancements, and greater ways to deliver information to you.

I participate in the certificate of deposit investment program and would like to continue participating after the Consolidation. What do I need to do?

Please contact a member of your client management team, who will send you an updated certificate of deposit investment program agreement (CDIA) prior to the expected completion date of the Consolidation.

Can I sign the new USBAM CDIA before the consolidation?

You can sign and return the USBAM CDIA prior to the date of the Consolidation. The USBAM CDIA, however, will only be countersigned by USBAM or effective upon completion of the Consolidation. You can continue to invest in certificates of deposit under your existing PFMAM CDIA until the date of the Consolidation.