

# MAINE STATE LEGISLATURE

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5 M.R.S.A. § 1031-15

August 27, 1976

William G. Blodgett, Exec. Dir.

Maine State Retirement System

Donald G. Alexander, Deputy

Attorney General

Transfer of Ownership of Contract for Certain Financial Advisory Services

This responds to your memorandum of August 16, 1976, regarding the above captioned matter.

FACT:

The Board of Trustees of the Maine State Retirement System has an outstanding agreement with Paine, Webber, Jackson & Curtis, Corporate Financial Services Division, to provide certain financial services to the Board of Trustees. Paine, Webber, Jackson & Curtis has sold this unit of their operations to a new organization. Some principals of the new organization will be the same people as previously employed by Paine, Webber, Jackson & Curtis.

QUESTION:

May you, as Executive Director of the Maine State Retirement System, agree to continue the present contract with the new owners or does such action require approval by the Board.

ANSWER:

Such action requires approval by the Board.

DISCUSSION:

The relevant provisions of law, 5 M.R.S.A. § 1031-15 grants authority to the Board to enter into contracts with various organizations for provision of financial services. In this case, although the request is for an agreement to continue the present arrangements, the Board will in fact be contracting with a new entity "Evaluation Associates Inc." to provide financial services. Accordingly, the approval should be given by the Board. Further, we would advise that the approval should be given not by simply signing an acceptance of the change in ownership, but rather by entering into an entirely new contract with the new organization. In developing such new contract, the Board may wish to review the terms of the existing contract as it may be appropriate to include different provisions because the parent organization in this case, Commerce Clearing House, is of a different nature than the former parent organization, Paine, Webber, Jackson & Curtis.

DONALD G. ALEXANDER  
Deputy Attorney General

DGA:jg