



Watching the Marketplace

Maintaining
the Triple A
General
Obligation
bond rating
was a
Goldstein
hallmark

Most Marylanders probably can't explain exactly what a Triple A bond rating is, but they know it's important because Louis Goldstein said so and because he made it a cornerstone of Maryland's financial management.

Thanks to Comptroller Goldstein, Maryland became the first state to issue comprehensive bond disclosure statements before its General Obligation bond sales, long before such statements became a requirement of the marketplace. Louis Goldstein also made it a point to visit the financial wizards of Wall Street and to invite them to Maryland for a look at what stood behind Maryland's reputation for fiscal excellence.

Maryland remains one of only eight states in the nation to retain the

coveted Triple A General Obligation bond rating from all of the major independent bond rating agencies. From 1971 through mid-1998, the Triple A rating saved the taxpayers of Maryland more than \$147 million in interest costs, compared to the next highest Double A rating.

Louis Goldstein also applied his financial acumen to his role as the chairman of the Board of Trustees of the Maryland State Retirement System. Just weeks before the 500-point stock market correction of October 19, 1987, he engineered the system's now-famous "stock for bond" swap - selling \$2.3 billion worth of common stocks and later purchasing investment grade bonds.



Comptroller Goldstein served on the Maryland Board of Public Works, the state's highest administrative body - which sells Maryland's General Obligation Bonds - with seven governors and six state treasurers. In 1981, Governor Harry Hughes (center) and Treasurer William S. James (left) agreed with Mr. Goldstein that high interest rates warranted issuing 10-year bonds instead of the usual 15-year term. Photo by Mike Walsh