

Rule G-37: Political Contributions and Prohibitions on Municipal Securities Business¹

(a) – (d) No change.

(e) *Required Disclosure to Board.*

(i) Except as otherwise provided in paragraph (e)(ii), each broker, dealer or municipal securities dealer shall, by the last day of the month following the end of each calendar quarter (these dates correspond to January 31, April 30, July 31 and October 31) send to the Board Form G-37 setting forth, in the prescribed format, the following information:

(A) No change.

(B) for contributions to bond ballot campaigns (other than a contribution made by a municipal finance professional or a non-MFP executive officer to a bond ballot campaign for a ballot initiative with respect to which such person is entitled to vote if all contributions by such person to such bond ballot campaign, in total, do not exceed \$250 per ballot initiative) made by the persons and entities described in subclause (2) of this clause (B):

(1) No change.

(2) the contribution amount made (which, in the case of in-kind contributions, must include both the value and the nature of the goods or services provided, including any ancillary services provided to, on behalf of, or in furtherance of the bond ballot campaign), the specific date on which the contribution was made, and the contributor category of each of the following persons and entities making such contributions during such calendar quarter:

(a) - (d) No change.

(3) the full issuer name and full issue description of any primary offering resulting from the bond ballot campaign to which a contribution required to be disclosed pursuant to this clause (B) has been made, or to which a contribution has been made by a municipal finance professional or a non-MFP executive officer during the period beginning two years prior to such individual becoming a municipal finance professional or a non-MFP executive officer that would have been required to be disclosed if such individual had been a municipal finance professional or a non-MFP executive officer at the time of such contribution and the reportable date of selection on which the broker, dealer or municipal securities dealer was selected to engage in such municipal securities business, reported in

¹ Underlining indicates new language; brackets denote deletions.

the calendar quarter in which the closing date for the issuance that was authorized by the bond ballot campaign occurred; and

(4) the payments or reimbursements, related to any bond ballot contribution, received by each broker, dealer or municipal securities dealer or any of its municipal finance professionals from any third party that are required to be disclosed pursuant to this clause (B), including the amount paid and the name of the third party making such payment.

(C) - (F) No change.

(ii) - (iv) No change.

(f) No change.

(g) Definitions.

(i) The term “contribution” means any gift, subscription, loan, advance, or deposit of money or anything of value made:

(A) to an official of an issuer:

(1) [(A)] for the purpose of influencing any election for federal, state or local office;

(2) [(B)] for payment of debt incurred in connection with any such election; or

(3) [(C)] for transition or inaugural expenses incurred by the successful candidate for state or local office; or

(B) to a bond ballot campaign:

(1) for the purpose of influencing (whether in support of or opposition to) any ballot initiative seeking authorization for the issuance of municipal securities through public approval obtained by popular vote;

(2) for payment of debt incurred in connection with any such ballot initiative; or

(3) for payment of the costs of conducting any such ballot initiative.

(ii) - (x) No change.

(xi) The term “reportable date of selection” means the date of the earliest to occur of: (i) the execution of an engagement letter; (ii) the execution of a bond purchase agreement; or (iii) the receipt of formal notification (provided either in writing or orally) from or on behalf of the issuer that the dealer has been selected to engage in municipal securities business.

(h) – (j) No change.

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Rule G-8: Books and Records to be Made by Brokers, Dealers and Municipal Securities Dealers

(a) *Description of Books and Records Required to be Made.* Except as otherwise specifically indicated in this rule, every broker, dealer and municipal securities dealer shall make and keep current the following books and records, to the extent applicable to the business of such broker, dealer or municipal securities dealer:

(i) - (xv) No change.

(xvi) *Records Concerning Political Contributions and Prohibitions on Municipal Securities Business Pursuant to Rule G-37.* Records reflecting:

(A) - (G) No change.

(H) the contributions, direct or indirect, to bond ballot campaigns made by the broker, dealer or municipal securities dealer and each political action committee controlled by the broker, dealer or municipal securities dealer for the current year, which records shall include: (i) the identity of the contributors, (ii) the official name of each bond ballot campaign receiving such contributions, and the jurisdiction (including city/county/state or political subdivision) by or for which municipal securities, if approved, would be issued, [and] (iii) the amounts (which, in the case of in-kind contributions, must include both the value and the nature of the goods or services provided, including any ancillary services provided to, on behalf of, or in furtherance of the bond ballot campaign) and the specific dates of such contributions[;], (iv) the full issuer name and full issue description of any primary offering resulting from the bond ballot campaign to which the broker, dealer or municipal securities dealer or political action committee controlled by the broker, dealer or municipal securities dealer has made a contribution and the reportable date of selection on which the broker, dealer or municipal securities dealer was selected to engage in such municipal securities business, and (v) the payments or reimbursements, related to any bond ballot contribution, received by the broker, dealer or municipal securities dealer from any third party that are required to be disclosed under Rule G-37(e)(i)(B), including the amount paid and the name of the third party making such payment.

(I) the contributions, direct or indirect, to bond ballot campaigns made by each municipal finance professional, any political action committee controlled by a municipal finance professional, and non-MFP executive officer for the current year, which records shall include: (i) the names, titles, city/county and state of residence of contributors, (ii) the official name of each bond ballot campaign receiving such contributions, and the jurisdiction (including city/county/state or political subdivision) by or for which municipal securities, if approved, would be issued, [and] (iii) the amounts (which, in the case of in-kind contributions, must include both the value and the nature of the goods or services provided, including any ancillary services provided to, on behalf of, or in furtherance of the bond ballot campaign) and the specific dates of such contributions, (iv) the full issuer name and full issue description of any primary offering resulting from the

bond ballot campaign to which the municipal finance professional, political action committee controlled by the municipal finance professional or non-MFP executive officer has made a contribution required to be disclosed under Rule G-37(e)(i)(B), or to which a contribution has been made by a municipal finance professional or a non-MFP executive officer during the period beginning two years prior to such individual becoming a municipal finance professional or a non-MFP executive officer that would have been required to be disclosed if such individual had been a municipal finance professional or a non-MFP executive officer at the time of such contribution and the reportable date of selection on which the broker, dealer or municipal securities dealer was selected to engage in such municipal securities business, and (v) the payments or reimbursements, related to any bond ballot contribution, received by the municipal finance professional or non-MFP executive officer from any third party that are required to be disclosed by Rule G-37(e)(i)(B), including the amount paid and the name of the third party making such payment or reimbursement; provided, however, that such records need not reflect any contribution made by a municipal finance professional or non-MFP executive officer to a bond ballot campaign for a ballot initiative with respect to which such person is entitled to vote if the contributions made by such person, in total, are not in excess of \$250 to any bond ballot campaign, per ballot initiative.

(J) - (M) No change.

(xvii) - (xxvi) No change.

(b) - (g) No change.