



February 18, 2011

VIA E-MAIL

Ms. Elizabeth M. Murphy
Secretary
United States Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

File Number - S7-45-10

SEC Release No. 34-63576

Re: United States Securities and Exchange Commission Proposed Rule¹ Concerning the
Registration of Municipal Advisors

Dear Ms. Murphy:

On behalf of CPS Energy, I write to respectfully request that the Commission (hereinafter defined) modify its interpretation of the term "municipal advisor," or grant exemptive relief, so as to exclude appointed board members from that term. We ask that you take that action in furtherance of established principles of federalism and to protect municipal entities (a purpose of the applicable provision), from adverse consequences.

I am the Executive Vice President & Chief Financial Officer ("CFO"), as well as the Board Treasurer, to an agency of the City of San Antonio, Texas (the "City") that was created in 1942 by its City Council in accordance with the City's electric and gas systems (the "Systems") revenue bond ordinances (the "CPS Energy Bond Ordinances") and is referred to as the City Public Service Board of San Antonio, Texas ("CPS Energy"). The assets of the Systems are owned by the City, but the management, control, operation, and maintenance of the Systems has been delegated in the CPS Energy Bond Ordinances to a five member appointed Board of Trustees (the "CPS Energy Board"), including the Mayor of the City who serves as an ex-officio (but voting) member of the CPS Energy Board. The CPS Energy Board, excluding the Mayor, is subject to the appointment, review, and removal process set forth in the CPS Energy Bond Ordinances. The "Management" section of a recent CPS Energy Bond Ordinance is enclosed as Exhibit A to this letter for your review and files.

This management structure envisions that the CPS Energy Board will establish policies; provide general oversight; approve maintenance and operations, as well as capital budgets; establish strategic goals and plans; approve certain contracts; and receive, review, and make appropriate recommendations, based upon management input received from the President & Chief Executive Officer ("CEO") of CPS Energy and his senior staff, with the assistance of outside consultants. These outside consultants, which with respect to the issuance of municipal

¹ 76 Fed. Reg. 824 (January 6, 2011)

80962380.4

securities would be bond counsel and entities generally referred to as financial advisors, would provide their professional advice with a duty to CPS Energy relating to the issuance of municipal securities.

CPS Energy is the largest municipally owned provider of electric and gas utility services in the United States. Each of the national rating agencies, in providing CPS Energy with their highest ratings for municipally owned revenue bond issuers, have commented favorably concerning the importance of this governance structure. As employees of the City-owned utility, CPS Energy employees are public employees just like their counterparts working directly for City government, and CPS Energy is significantly regulated by the City's Home Rule Charter, the Texas Utilities Code, Chapter 1502, as amended, of the Texas Government Code, and a variety of other Texas statutes. Each appointed member of the CPS Energy Board is subject to scrutiny by the San Antonio City Council. The CPS Energy Board is also subject to the Texas open meetings and open records laws.

On behalf of CPS Energy, the San Antonio City Council alone has the legal authority to:

- Approve any debt issuances,
- Approve any changes in utility rates or structures,
- Commence any condemnation proceedings and, as discussed above,
- Appoint, review and remove members of the CPS Energy Board

The entire San Antonio City Council is subject to election every two years as set forth in the City's Home Rule Charter and other applicable law.

As you are well aware, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") amended Section 15B of the Securities and Exchange Act of 1934 (the "Exchange Act") to make it unlawful for a municipal advisor to provide advice to a municipal entity with respect to municipal financial products or the issuance of municipal securities unless the municipal advisor is registered with the United States Securities and Exchange Commission (the "SEC" or the "Commission"). The Dodd-Frank Act also gives the Municipal Securities Rulemaking Board (the "MSRB") regulatory authority over municipal advisors and imposes a fiduciary duty on municipal advisors when providing advice to municipal entities. As amended by the Dodd-Frank Act, Section 15B of the Exchange Act is intended for the protection of municipal entities, as well as investors. Under Section 23 of the Exchange Act, the Commission is authorized to adopt rules to implement the provisions of the Exchange Act, including Section 15B, and any act or omission made in reliance on Commission rules in good faith is exempted from liability. In addition, the Commission is specifically authorized by Section 15B(a)(4) of the Exchange Act, as amended by the Dodd-Frank Act, to exempt municipal advisors from any provision of Section 15B, including the registration requirements, fiduciary duties, and MSRB rules applicable to municipal advisors, if it finds that the exemption is consistent with the public interest, the protection of investors, and the purposes of Section 15B.

Section 15B(e)(4)(A), of the Exchange Act, as amended by Section 975 of the Dodd-Frank Act, defines "municipal advisor" as:

- "... a person (who is not a municipal entity or an employee of a municipal entity)
(i) that provides advice to or on behalf of a municipal entity or obligated person

with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such financial products or issues, or (ii) that undertakes a solicitation of a municipal entity."²

Thus, under the statute, an employee of a municipal entity cannot be a "municipal advisor" and is exempt from the proposed rule. As such, all employees of the City, including, we would argue, employees of CPS Energy, the City-owned utility, would be exempt from the proposed rule. We would also note that the Commission could exercise its regulatory authority to define that all issuers and their elected or appointed governing bodies would be classified as the "municipal entity" and, as such, would be exempt from the proposed rule.

In its proposing release, the Commission provides interpretation on who is an "employee of a municipal entity." The release interprets "municipal employees" to include members of a municipal entity's elected governing body, and appointed members of a governing body to the extent such appointed members are ex-officio members of the governing body by virtue of holding an elective office, but to exclude members of an appointed governing body. Under this interpretation, members of the CPS Energy Board, excluding the Mayor, could be considered municipal advisors and therefore required to register with the SEC and be subject to MSRB regulation, if they fulfill their official duties by giving advice to CPS Energy concerning municipal securities issues or municipal financial products. The only reason given for the differing treatment of elected and appointed members in the interpretation in the SEC commentary is that appointed board members "are not directly accountable for their performance to the citizens of the municipal entity."³

Based upon the facts presented herein and the referenced Texas law, we believe that the Commission's proposed policy decision to treat elected and appointed officials differently concerning their potential classification as a municipal advisor has no merit. For the reasons set forth above, each appointed member of the CPS Energy Board is subject to significant regulatory "control" by the San Antonio City Council, who are elected officials. As such, we respectfully request that the Commission modify its interpretation, or exercise its exemptive authority, to exempt governing body members who are appointed by elected officials.

We have serious concerns about the effect that the proposed interpretation has on potential legal liabilities that stem from the classification of a person as a municipal advisor and the resultant imposition of a federal law fiduciary duty on the municipal advisor. As you are well aware, violations of this fiduciary duty could subject municipal advisors to criminal and/or civil liabilities. In addition, both the SEC and the MSRB have recently adopted or proposed additional rules to impose further regulatory restrictions and duties on municipal advisors, other than those contained in the proposed rule and interpretation that is the subject of this comment letter.

Texas law concerning an appointed board member's "duty" is not settled. In fact, Texas law provides a mechanism by which "officials" may disclose a conflict of interest and then recuse

² Section 15B(e)(4)(A) of the Securities Exchange Act.

³ 76 *Fed. Reg.* 837 (January 6, 2011).

themselves from a vote concerning the matter to be voted upon by the governing body. As you are well aware, the imposition of this fiduciary duty, under federal law and the supremacy clause, may have the effect of conflicting with and superseding Texas law on this important subject.

A related concern is that the San Antonio City Council approved the creation of SA Energy Acquisition Public Facility Corporation (the "SA Energy Corporation") pursuant to the provisions of Chapter 303, as amended, Texas Local Government Code. The entity was formed for the sole purpose of providing natural gas that is dedicated for use in CPS Energy's gas distribution system pursuant to a take or pay arrangement between CPS Energy and SA Energy Corporation. The seven appointed members of this nonprofit corporation are the five members of the CPS Energy Board plus the CEO and CFO of CPS Energy. The Mayor (as an ex-officio member of the CPS Energy Board and an elected official) and the CEO and the CFO (as CPS Energy employees) would be exempt from registration pursuant to the interpretation. However, once again, we believe that the interpretation should be reversed, or the Commission should exercise its exemptive authority in a manner that, in this instance, not only the Mayor of the City, CEO and CFO of CPS Energy, but also the other four members of the CPS Energy Board (as **appointed** board members of the SA Energy Corporation), should not be classified as municipal advisors pursuant to the proposed rule.

Commentators have noted that the proposed rule does not define "provides advice" and that arguably CPS Energy's and SA Energy Corporation's Board deliberations and voting on recommendations concerning the issuance of debt by the City (that would have to be approved or ratified by the San Antonio City Council) or concerning the investment of public funds or the approval of derivative transactions is not providing "advice."

We, in good conscience, are not willing to accept the currently proposed alternative perspective. Conversely, our Boards engage independent financial advisors, bond counsel, accountants, and selects various investment banks to be members of the underwriting pools that form syndicates to sell the City's municipal securities pursuant to CPS Energy Bond Ordinances. These Boards have active discussions concerning the proposed plans of finance; structuring assumptions; the use of swaps and other derivative products; the purchase of bond insurance policies or surety bonds; capital budgets; operation and maintenance budgets; redemption provisions; the review and approval of disclosure documents; and various other matters concerning the contemplated debt issuance. In fact, the CPS Energy Board is required under the CPS Energy Bond Ordinances to make recommendations to the San Antonio City Council concerning the issuance of municipal securities. We also believe that the Commission's previous enforcement actions concerning municipal securities around the United States compel both elected and appointed board members who authorize the issuance of publically-offered municipal securities to be active participants in this process.

The role of each member of the CPS Energy and SA Energy Corporation Boards, regardless of whether they are elected or appointed, is to consider and vote on various matters presented to them including, without limitation, the issuance of municipal securities affecting the business and operation of the municipal entity on whose board they serve. In the normal course of the deliberations and considerations, they often seek the advice of the entity's officers and management team, as well as that of outside consultants. As a practical matter, they are not

called upon to provide actual advice or recommendations concerning municipal securities or investment strategies. We have concerns that IF the appointed members of the CPS Energy Board and SA Energy Corporation Board could be "deemed" by the Commission to be a "municipal advisor" pursuant to the Commission's interpretation, then such deliberations, discussions, and votes could be classified as "advice" that would impose the proposed rule's licensing requirements and fiduciary duty on the appointed members of the CPS Energy Board and SA Energy Corporation Board and trigger the reporting, record keeping, and certification requirements set forth in the proposed rule.

It is also our understanding that the Commission's existing MA-T Municipal Advisory Temporary Registration Form (that is attached hereto as Exhibit B and incorporated by reference for all purposes) may be the template for the creation of the proposed rule's MA-I format.

We believe that the proposed rule's MA-I Form is cumbersome, unnecessary in our situation, and may have a chilling effect on prospective board members, because the information disclosed in the MA-I Form will be publically available, and discourage their contemplated public service as a member of the CPS Energy Board or the governing board for SA Energy Corporation. We are confident that you will agree that having the most qualified members on the CPS Energy Board and the SA Energy Corporation Board is in the public's best interest. It seems to us that the proposed rule's MA-I Form has merit and applicability for a person truly providing actual "financial" advice to a municipal entity but, in our case, not to an appointed member of the CPS Energy Board or the governing board for SA Energy Corporation.

We also have concerns about the annual certification requirement in the proposed rule, if and when an appointed board member is deemed to be a municipal advisor that is providing "advice" to its board. Once again, the administrative time and manpower costs to comply with these registration, record keeping, and certification requirements, the inevitable registration and annual certification filing fees and expenses, and additional continuing education requirements for the appointed board members to take further time away from their regular full-time jobs and potentially their families is not justified under the CPS Energy or SA Energy Corporation factual scenario.

For each of the stated reasons, we respectfully request that the Commission significantly limit the scope of the "municipal advisor" to address, only from a policy standpoint, the specific factual situation that was the impetus for the Dodd-Frank provisions. We are confident that you will agree that neither the appointed members of the CPS Energy Board nor the members of the governing body of the SA Energy Corporation should be classified as municipal advisors for the reasons set forth in this comment submission.

In closing, we request that the Commission treat all appointed board members in the same manner as the interpretation treats elected officials and municipal employees.

Thank you for your careful consideration of this request to exempt all appointed board members in the Commission's final rule definition of "municipal advisor" so that the final rule will accomplish its intended public purpose.

Ms. Elizabeth M. Murphy
February 18, 2011
Page 6

Please do not hesitate to contact me if I can provide any future clarification or support on this important manner. If you wish to speak to me by telephone, I can be reached at 210-353-4399.

Very truly yours,



Paula Gold-Williams
Treasurer, Executive Vice President
& Chief Financial Officer

Attachments

cc w/o attachment: Mr. Derrick Howard (Chairman, Board of Trustees, CPS Energy)
Dr. Homer Guevara, Jr. (Board of Trustees, CPS Energy)
Ms. Nora W. Chavez (Board of Trustees, CPS Energy)
Honorable Julián Castro (Mayor, City of San Antonio, Texas and CPS
Energy Board of Trustee)
Mr. Doyle Beneby (President & CEO, CPS Energy)
Ms. Carolyn Shellman (EVP & General Counsel, CPS Energy)
Ms. Sheryl Sculley (City Manager, City of San Antonio, Texas)
Mr. Michael Bernard (City Attorney, City of San Antonio, Texas)
Mr. Ben Gorzell (Chief Financial Officer, City of San Antonio, Texas)

EXHIBIT A

Management Section of Bond Ordinance

Management of the Systems. In accordance with the provisions of the ordinances authorizing the currently outstanding Senior Lien Obligations, the currently outstanding Junior Lien Obligations, the Series 2010B Bonds, and this Ordinance, the City hereby agrees, covenants, and reaffirms that during such time as any Bonds issued hereunder are Outstanding and unpaid, the complete management and control of the Systems, pursuant to the authority contained in Section 1502.070, as amended, Texas Government Code, shall be vested in a Board of Trustees consisting of five citizens (one of whom shall be the Mayor of the City) of the United States of America permanently residing in Bexar County, Texas, to be known as the "City Public Service Board of San Antonio, Texas". The Mayor of the City shall be a voting member of the Board, shall represent the City Council thereon, and shall be charged with the duty and responsibility of keeping the City Council fully advised and informed at all times of any actions, deliberations and decisions of the Board and its conduct of the management of the Systems.

All vacancies in membership on the Board (excluding the Mayor of the City), whether occasioned by failure or refusal of any person previously named to accept appointment or by expiration of term of office or otherwise, shall be filled in the following manner: a nominee to fill such vacancy shall be elected by the majority vote of the remaining members of the Board of Trustees, such majority vote to include the vote of the Mayor. The name of such nominee shall then be submitted by the Mayor to the vote of the City Council, which by a majority vote of the members thereof then in office shall, as evidenced by ordinance or resolution, either confirm or reject such nominee; provided, however, if the City Council fails to act upon such nominee, such failure to do so shall be considered as a rejection of such nominee and another nominee shall be selected by the Board. If a vacancy occurs and the remaining members of the Board (including the Mayor) fail to elect a nominee to fill such vacancy within sixty (60) days after the vacancy occurs (or fail to select another nominee within sixty (60) days after rejection of a nominee by the City Council), the City Council, by a majority vote of the members thereof then in office, shall elect a person to fill such vacancy and shall appoint such Trustee by resolution or ordinance. In the event the City rejects or fails to confirm three (3) consecutive nominees of the Board to fill a vacancy on the Board, the City Council shall, within thirty (30) days after the third rejection, appoint a temporary Trustee to fill such vacancy pending the appointment of a permanent Trustee to fill such vacancy. The appointment of a temporary Trustee by the City Council shall constitute the nomination of such appointee as the permanent Trustee to fill such vacancy. Unless the remaining members of the Board, by a majority vote, reject the nominee selected by the City Council within thirty (30) days after his appointment as a temporary Trustee, the appointment shall become final and the temporary Trustee shall automatically become the permanent Trustee to fill such vacancy. In such vote, the vote of the Mayor shall automatically be cast as a vote in favor of the confirmation of such Trustee, whether cast by the Mayor or not.

If the nominee of the City Council is rejected by a majority vote of the remaining Trustees, the remaining Trustees shall within thirty (30) days after such rejection elect another nominee to fill such vacancy. Such nominee shall be considered by the City Council and if approved shall become the permanent Trustee. If such nominee is rejected by a majority vote of the members of the City Council then in office, or in the event the City Council fails to act upon such nomination within thirty (30) days after the nomination is presented to the City

Council, the temporary Trustee theretofore appointed by the City Council shall automatically become the permanent Trustee to fill such vacancy. The term of office of each member appointed to the Board shall be five (5) years. A person who has served as an appointed member of the Board for a single five-year term shall be eligible for reappointment for one additional five-year term and one only. A member who is appointed to the Board to serve out an unexpired portion of a retired member's term shall not be considered to have served a "term" unless the unexpired portion of the term so served is three (3) years or more. Permanent removal of residence from Bexar County by any appointed member of the Board shall vacate his office as a member of the Board, or any member (other than the Mayor of the City) who shall be continuously absent from all meetings held by the Board for a period of four (4) consecutive months shall, unless he shall have been granted leave of absence by the unanimous vote of the remaining members of the Board, be considered to have vacated his office as a member of the Board. Any member of the Board, other than the Mayor of the City, may, by unanimous vote of the remaining members of the Board, be removed from office, but only for adequate cause.

Notwithstanding any of the foregoing provisions as contained in this Section or in any other section of this Ordinance pertaining to the appointment or selection of Trustees to the Board, the City Council reserves unto itself the absolute right at any time upon passage of an ordinance approved by a majority vote of its members to change the method of selection of and appointment to the Board of Trustees to direct selection by the City Council, with such change of method to direct selection being at the sole option of the City Council without approval of any persons, party, holder of Bonds, or the Board of Trustees.

Except as otherwise specifically provided in this Ordinance, the Board of Trustees shall have absolute and complete authority and power with reference to the control, management, and operation of the Systems and the expenditure and application of the revenues of the Systems subject to the provisions contained in this Ordinance, all of which shall be binding upon and shall govern the Board of Trustees. In connection with the management and operation of the Systems and the expenditure and application of the revenues therefrom, the Board of Trustees shall be vested with all of the powers of the City with respect thereto, including all powers necessary or appropriate for the performance of all of the covenants, undertakings, and agreements of the City contained in this Ordinance, and shall have full power and authority to make rules and regulations governing the furnishing of electric and gas service to customers and for the payment of the same, and for the discontinuance of such services upon failure of customers to pay therefor, and, to the extent authorized by law, shall have full authority with reference to making of extensions, improvements, and additions to the Systems and the acquiring by purchase or condemnation of properties of every kind in connection therewith.

The Board of Trustees, in exercising the management powers granted herein, will ensure that policies adopted affecting research, development, and corporate planning will be consistent with City Council policy, and policies adopted by the Board of Trustees pertaining to such matters will be subject to City Council review.

The Board of Trustees shall elect one of its members as Chairman and one as Vice Chairman of the Board and shall appoint a Secretary and a Treasurer, or a Secretary-Treasurer, who may, but need not be, a member or members of the Board. If a member of the Board of Trustees is not appointed as Secretary or Treasurer, or Secretary-Treasurer, then an employee or employees of the Board whose duties in the operation of the Systems require performance of similar duties may be appointed as Secretary or Treasurer or Secretary-Treasurer. The Board of Trustees may follow and adopt such rules for the orderly handling of its affairs as it may see fit and may manage and conduct the affairs of the Systems with the same freedom and in the

same manner ordinarily employed by the board of directors of private corporations operating properties of a similar nature. No member of the Board of Trustees, however, shall ever vote by proxy in the exercise of his duties as a Trustee.

The Board of Trustees shall appoint and employ all officers, employees, and professional consultants which it may deem desirable, including without limitation, a General Manager and Chief Executive Officer of the Systems, attorneys, engineers, architects, and other advisors. No officer or employee of the Board of Trustees may be employed who shall be related within the second degree of consanguinity or affinity to any member of the Board of Trustees.

The Board of Trustees shall obtain and keep continually in force an employees' fidelity and indemnity bond of the so-called "blanket" type, written by a solvent and recognized indemnity company authorized to do business in the State of Texas and covering losses to the amount of not less than One Hundred Thousand Dollars (\$100,000).

The members of the Board of Trustees, other than the Mayor of the City, shall receive annual compensation in the minimum amount of Two Thousand Dollars (\$2,000.00), except that the Chairman of the Board shall receive annual compensation in the minimum amount of Two Thousand Five Hundred Dollars (\$2,500.00). Such compensation may be increased from time to time by the majority vote of the City Council then in office.

The members of the Board of Trustees and administrative officers shall not be personally liable, either individually or collectively, for any act or omission not willfully fraudulent or in bad faith.

EXHIBIT B

OMB APPROVAL
OMB Number: 3235-0659
Expires: March 31, 2011
Estimated average
Burden hours per form: 2.5
Per amendment: 0.5

Note: Form MA-T is an electronic form accessible through a link located on the website of the U.S. Securities and Exchange Commission at www.sec.gov. It may not be filed in paper form.

FORM MA-T

MUNICIPAL ADVISOR TEMPORARY REGISTRATION FORM

ITEM 1 - IDENTIFYING INFORMATION

A. This is:

- An initial temporary registration as a municipal advisor
- An amendment of temporary registration as a municipal advisor
Municipal Advisor Registration Number: _____ - _____
- A withdrawal of temporary registration as a municipal advisor
Municipal Advisor Registration Number: _____ - _____

B. Full Legal Name of municipal advisor:

(firm name or name of sole proprietor)

C. Name under which the municipal advisor conducts business, if different:

D. IRS Employer Identification Number of the municipal advisor: _____

(Note: If you are a sole proprietor, leave this space blank. Do NOT fill in your social security number.)

E. If the municipal advisor is also registered with the SEC as an investment adviser, its SEC file number: 801-_____

F. If the municipal advisor is also registered with the SEC as a broker, dealer, or municipal securities dealer, its SEC file number: _____

G. If the municipal advisor has a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, its CRD number *(Do not provide the CRD number of the municipal advisor's officers, employees, or affiliates)*: _____

H. Municipal advisor's principal office and place of business:

(1) Address (*do not use a P.O. Box*):

_____ (number and street)

(city) (state/country) (zip+4/postal code)

(2) Telephone number at this location:

_____ (area code) (telephone number)

(3) Facsimile number at this location, if any:

_____ (area code) (telephone number)

(4) General e-mail address for the municipal advisor, if any:

_____ @ _____

(5) Website, if any, of the municipal advisor

www. _____ . _____

I. Mailing address, if different from the municipal advisor's principal office and place of business address:

_____ (number and street)

(city) (state/country) (zip+4/postal code)

J. Contact person: [*The contact person should be a person whom the municipal advisor has authorized to receive information and respond to questions about this registration.*]

_____ (name)

_____ (title)

_____ (telephone number, including area code) (facsimile number, if any, including area code)

_____ (number and street)

_____ (city) (state/country) (zip+4/postal code)

_____ @ _____
(e-mail address, if any, of contact person)

ITEM 2 - MUNICIPAL ADVISORY ACTIVITIES

What type(s) of municipal advisory services does the municipal advisor provide? *Check all that apply.*

- (1) Advice concerning the issuance of municipal securities
- (2) Advice concerning the investment of the proceeds of municipal securities
- (3) Advice concerning guaranteed investment contracts
- (4) Recommendation and/or brokerage of municipal escrow investments
- (5) Advice concerning the use of municipal derivatives (e.g., swaps)
- (6) Solicitation of business from a municipal entity or obligated person for an unaffiliated person or firm (e.g., third party marketers, placement agents, solicitors and finders)
- (7) Preparation of feasibility studies, tax or revenue projections, or similar products in connection with offerings or potential offerings of municipal securities
- (8) Other (specify): _____

ITEM 3 - DISCIPLINARY INFORMATION

In this Item, we ask for information about the municipal advisor's disciplinary history and the disciplinary history of all associated municipal advisor professionals (as defined in the Glossary accompanying this form). For any question to which you answer "yes," a drop-down box will appear for you to supply relevant information. *Note: If you have submitted a Criminal Disclosure Report Page or Pages, a Regulatory Action Disclosure Page or Pages, or a Civil Judicial Action Disclosure Reporting Page or Pages to FINRA or the SEC in connection with other filings, you may provide such information by referencing the public disclosure system (BrokerCheck or Investment Adviser Public Disclosure) that currently contains the disclosure, the CRD number of the entity under which the disclosure is listed, and whether the entity under which the disclosure is listed is a firm or individual. (Example: Please reference BrokerCheck, CRD 123456, for the individual Mr. X for reportable disclosures; Example: Please reference IAPD, CRD 987654, for the firm X's reportable disclosures.)*

One event may result in "yes" answers to more than one of the questions below.

A. In the past ten years, has the municipal advisor or any associated municipal advisor professional:

- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony? YES/NO
- (2) been charged with any felony? YES/NO
You may limit your response to Item 3.A(2) to charges that are currently pending.

B. In the past ten years, has the municipal advisor or any associated municipal advisor professional:

- (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: investments or an investment-related business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? YES/NO
- (2) been charged with a misdemeanor listed in Item 3.B(1)? YES/NO
You may limit your response to Item 3.B(2) to charges that are currently pending.

C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:

- (1) found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission? YES/NO
- (2) found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of its regulations or statutes? YES/NO
- (3) found the municipal advisor or any associated municipal advisor professional to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? YES/NO
- (4) entered an order against the municipal advisor or any associated municipal advisor professional in connection with investment-related activity? YES/NO
- (5) imposed a civil money penalty on the municipal advisor or any associated municipal advisor professional, or ordered the municipal advisor or any associated municipal advisor professional to cease and desist from any activity? YES/NO

D. Has any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority:

- (1) ever found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission, or been dishonest, unfair, or unethical? YES/NO
- (2) ever found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of investment-related regulations or statutes? YES/NO
- (3) ever found the municipal advisor or any associated municipal advisor professional to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? YES/NO

- (4) in the past ten years, entered an order against the municipal advisor or any associated municipal advisor professional in connection with an investment-related activity? YES/NO
 - (5) ever denied, suspended, or revoked the municipal advisor's or any associated municipal advisor professional's registration or license, or otherwise prevented the municipal advisor or any associated municipal advisor professional, by order, from associating with an investment-related business or restricted the municipal advisor's or any associated municipal advisor professional's activity? YES/NO
- E. Has any self-regulatory organization or commodities exchange:
- (1) ever found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission? YES/NO
 - (2) ever found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the SEC)? YES/NO
 - (3) ever found the municipal advisor or any associated municipal advisor professional to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? YES/NO
 - (4) ever disciplined the municipal advisor or any associated municipal advisor professional by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities? YES/NO
- F. Has the municipal advisor's or any associated municipal advisor professional's authorization to act as an attorney, accountant, or federal contractor ever been revoked or suspended? YES/NO
- G. Is the municipal advisor or any associated municipal advisor professional the subject of any regulatory proceeding that could result in a "yes" answer to any part of Item 3.C., 3.D., or 3.E.? YES/NO
- H. (1) Has any domestic or foreign court:
- (a) in the past ten years, enjoined the municipal advisor or any associated municipal advisor professional in connection with any investment-related activity? YES/NO

- (b) ever found that the municipal advisor or any associated municipal advisor professional was involved in a violation of investment-related statutes or regulations? YES/NO
 - (c) ever dismissed, pursuant to a settlement agreement, an investment-related civil action brought against the municipal advisor or any associated municipal advisor professional by a state or foreign financial regulatory authority? YES/NO
- (2) Is the municipal advisor or any associated municipal advisor professional now the subject of any civil proceeding that could result in a "yes" answer to any part of Item 3.H(1)? YES/NO

ITEM 4 – EXECUTION

The municipal advisor consents that service of any civil action brought by or notice of any proceeding before the Securities and Exchange Commission or any self-regulatory organization in connection with the municipal advisor's municipal advisory activities may be given by registered or certified mail or confirmed telegram to the municipal advisor's contact person at the main address, or mailing address, if different, given in Items 1.H, 1.I., and 1.J.

The undersigned deposes and says that he/she has executed this form on behalf of, and with the authority of, the municipal advisor. The undersigned and the municipal advisor represent that the information and statements contained herein and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and the municipal advisor further represent that, if this is an amendment, to the extent that any information previously submitted is not amended such information is currently accurate and complete.

Date: _____

Full Legal Name of Municipal Advisor: _____

By. _____
(signature)

Title: _____

Warning: Intentional misstatements or omissions of fact constitute Federal criminal violations. See, 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).