
Continuing Disclosure Under SEC Rule 15c2-12

At the Government Finance Officers Association (the GFOA) conference in Denver, representatives of the Securities and Exchange Commission (the “SEC”) and the National Federation of Municipal Analysts (the “NFMA”) warned that a significant number of issuers are failing to meet their continuing disclosure obligations. The random sample by the SEC and an informal survey by the NFMA restated the concerns in the industry about noncompliance.

For issuers having total debt of \$10,000,000 or more, (including refunded bonds that might be in an escrow and not yet called), the typical undertaking requires Annual Financial Information updating certain information within the original Official Statement plus dissemination of the Comprehensive Annual Financial Report (“CAFR”) or Financial Statements.

Improper indexing may be one reason for the seeming non-compliance. A cover sheet indicating the issuer, the six digit CUSIP number and type of disclosure should always accompany a submission to the Nationally Recognized Municipal Securities Information Repositories (NRMSIRs). The nine digit CUSIP numbers for each applicable series of securities bonds should also be included. Issuers providing the Annual Financial Information within the CAFR or Financial Statements should also have a cover sheet and CUSIP numbers with their submission so that the NRMSIRs can properly index the material they receive.

The form that we use for our financial advisory clients taking advantage of our services as a dissemination agent is The Bond Market Association recommended cover sheet. You can find it on their website at <http://www.bondmarkets.com/market /15c212.shtml>. This form may be included with the Annual Financial Information, the CAFR or Financial Statements and Material Event Notices.

When thinking about the NRMSIRs, the image of the government warehouse pictured at the end of the movie *Indiana Jones, Raiders of the Lost Ark* comes to mind.

Underwriters may not bid on bonds of issuers that have not complied with their continuing disclosure obligations. By properly identifying the issuer and bond issues, the NRMSIRs can be assisted to properly index the data they receive and hopefully facilitate confirmation of an issuer’s compliance to the underwriting community. Don’t let your information get lost in the big warehouse!

GFOA has also drafted a recommended practice position paper entitled “Using A Web Site For Disclosure”. This can be accessed on the GFOA web page at www.gfoa.org. The ‘Services’ on the left side of the home page alphabetically list Recommended Practices which leads to the category of Debt Management and the link to the position paper.