



**The Education Committee of the  
National Federation of Municipal Analysts**

**ADVANCED SEMINAR**

**DISTRESSED CREDITS & FISCAL  
EMERGENCIES: A NEW PARADIGM  
FOR THE MUNICIPAL MARKET**

**October 4 & 5, 2012  
MGM Grand Detroit  
Detroit, Michigan**

**PROGRAM**

**Wednesday, October 3**

1:00 – 4:00 p.m.      *Optional Bus Tour of Detroit (additional registration required)*

**Thursday, October 4**

7:30 – 8:00 a.m.      *Registration and Breakfast*

8:00 – 8:15 a.m.      *Opening Remarks*  
*Jason Kissane, National Public Finance Guarantee, Advanced Seminar  
Chairman*

8:15 – 9:30 a.m.      *Early Warning Signs for Credit Analysts*  
Analysts and investors often become aware of fiscal distress when it is nearing or at crisis level. At that point, it is often too late for the government to address its problems absent outside intervention, in the best case by the state and at worst by a bankruptcy judge. The panelists will discuss their experience in reviewing governmental entities' financial condition and noticing problems in the making. They will reveal the sometimes-subtle signals that trouble may be brewing and the best ways for those in the investing community to detect them.

*Moderator: Amy R. Laskey, Managing Director, Fitch Ratings*  
*Panelists: Vance Holloman, Deputy Treasurer, State of North Carolina; Jeffrey Guilfoyle, President, Citizens Research Council of Michigan; Richard Ciccarone, Managing Director and Chief Research Officer, McDonnell Investment Management, LLC*

9:30 – 9:45 a.m. **Break**

9:45 – 11:00 a.m. ***When is a “General” Obligation Not a “General Obligation Bond”?***

In the wake of Jefferson County’s bankruptcy regarding “general obligation warrants,” and Harrisburg’s default on “general obligation bonds,” investors and analysts have become aware that not all purported “general obligation” securities provide equal or equivalent protections. Key questions have emerged regarding the meaning of “full faith and credit,” enforceability of security for general obligation bonds, and distinctions between “general obligation” and “general fund” securities. Distinctions in outcomes in Jefferson County and Stockton illustrate that, even within the “general fund” sector, there are key distinctions relating to security.

***Moderator:*** *Michael Ginestro, Vice President, Senior Fixed Income Analyst, Wells Fargo Wealth Management*

***Panelists:*** *Matt Fabian, Managing Director, Municipal Market Advisors; James Spiotto, Partner, Chapman & Cutler LLP; Greg Lipitz, Vice President, Moody’s Investor Services; Robert Doty, President, AGFS*

11:00 – 11:15 a.m. **Break**

11:15 a.m.

– 12:30 p.m. ***The Union Factor***

How has the power of public sector unions changed in recent years? This panel will explore whether the Wisconsin and Rhode Island cases signal a new reality in labor/management relations at the public level and what kind of a claim labor contracts – both for existing employees and retirees – have on government finances. How strong is this claim compared to that of bondholders and to the government’s responsibility to provide essential public services?

***Moderator:*** *Chris Mauro, Director, Municipal Bond Research, RBC Capital Markets*

***Panelists:*** *Vincent Vernuccio, Director of Labor Policy, Mackinac Center; William Kannel, Member, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.; Louis Schimmel, Emergency Manager, City of Pontiac, Michigan*

12:30 – 2:00 p.m. ***Luncheon Sponsored by Cordes & Company***

***Speaker – Jack Martin, Chief Financial Officer, City of Detroit, Michigan***

In May, 2012, Mayor Dave Bing named Jack Martin as Detroit’s new Chief Financial Officer as required under the Financial Stability Agreement between the State and the City of Detroit. Martin most recently served as Emergency Financial Manager of Highland Park Public Schools and was a member of the State’s Financial Review Team that reviewed the city’s financial status earlier this year. He is a certified public accountant with 40 years of experience working in the private and public sector.

2:15 - 3:30 p.m.

***State Oversight: Cure, Prevention or Endless Battle?***

Some states step into the fray after a local government is having a fiscal emergency. Maintaining local control is an area of contention when states get involved in their local governments – like the city of Detroit for example. But others, like North Carolina, New Jersey or Kentucky, routinely oversee their local governments' budgets and financial plans and are able to keep problems in check. Are these oversight programs a key for investors to safely navigate local financial problems? The panel will explore these issues.

*Moderator:* *Natalie R. Cohen- Managing Director, Municipal Securities Research, Wells Fargo Securities, LLC*

*Panelists:* *Thomas Neff, Director of the State of New Jersey Department of Community Affairs; Karol Denniston- Partner, Restructuring, Bankruptcy and Creditors' Rights Group, Schiff Hardin LLP; Robert B. Ward, Deputy Comptroller for Budget and Policy Analysis, State of New York*

3:30 – 3:45 p.m.

***Break***

3:45 – 5:00 p.m.

***Market Roundtable: Analyzing the Stress and Assessing What is Next***

In light of the heightened concerns surrounding municipal credit due to numerous distressed municipalities, we are assembling a panel of industry experts to discuss this current volatility and potential contagion risks for the municipal sector as whole. Our panelists will discuss the challenges of analyzing political-will and willingness to pay, which is something that is a major concern for credit analysts. This roundtable panel will discuss what keeps credit analysts up at night, and how we can manage the headlines.

*Moderator:* *Richard Larkin, Director of Credit Analysis, Herbert J. Sims & Co., Inc.*

*Panelists:* *Sheila Amoroso, Senior Vice President/Co-Director, Municipal Bond Department, Franklin Templeton Investments; Jonathan Chirunga, Associate Portfolio Manager, Pioneer Investments; Other Panelist TBD*

5:15 – 6:15 p.m.

***Cocktail Reception sponsored by Build America Mutual***

**Friday, October 5**

8:00 – 8:30 a.m.

***Continental Breakfast***

8:30 – 9:00 a.m.

***Friday Morning Keynote Address –  
David Unkovic, Bond Lawyer and Former State Receiver  
for the City of Harrisburg, Pennsylvania***

9:00 – 10:15 a.m.

***Pricing Issues Related to Distressed Credits***

The need to issue debt to fund capital and cash flow needs for challenged credits is growing. Some municipalities with challenged credit profiles have been able to successfully access the market through traditional financings or with a private placement while others have not. How do underwriters price these securities in the primary market? How do investors choose to approve or not approve a name? In some instances, the state in which the municipality is located can be a significant credit and pricing factor. Given the current state of fund flows and the low interest rate environment, investors are seeking more yield; however, before purchasing a challenged credit, investors should look for certain legal protections. This panel includes industry experts who will discuss each of these concepts.

Moderator: *Yaffa Rattner, Managing Director, Municipal Special Situations, Piper Jaffray & Co.*

Panelists: *Sandeep Gupta, CFA, Chief Credit Officer, Trading & Investments, ORIX Public Finance; Bill Rhodes, Esq., Partner & Chair, Public Finance, Ballard Spahr LLP; Third Panelist, TBD*

10:15 – 10:30 a.m.

***Break***

10:30 – 11:45 a.m.

***Municipal Bond Defaults and the “Reality of Your Remedy”***

Solutions offered to municipal investors when a credit is in distress vary widely for legal and sector reasons, but practical implementation is another matter. Investors need to balance "cures" with numerous factors such as state laws, the local economy, the site, real estate laws, business model, other debt, the sophistication and ability of management to follow through, costs involved, and one of the most important items – the time involved. This panel will discuss how investors can evaluate the strength and “reality” of practical enforcement of default remedies.

Moderator: *Judith Harvey, Senior Vice President, George K. Baum & Company*

Panelists: *William P. Smith, Partner, McDermott Will & Emery LLP; Gavin Wilkinson, Vice President, Wells Fargo Bank Corporate Trust Services; Dianne Sales, Managing Director, Manulife Asset Management*

11:45 a.m.

***Seminar Adjourns***

*The views expressed at the Advanced Seminar are those of the panelists alone and do not necessarily represent those of the National Federation of Municipal Analysts.*

## **NFMA**

NFMA  
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## **EDUCATION CHAIR**

*Jennifer Johnston, Franklin Templeton*

## **ADVANCED SEMINAR CO-CHAIRS**

*Jason Kissane, National Public Finance Guarantee  
Rachel Cortez, Moody's Investors Service*

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## **REGISTRATION**

Registration for the seminar is \$450 for full members of the NFMA and its Constituent Societies and \$550 for non-members, which includes all seminar materials, two continental breakfasts, one luncheon and the cocktail reception. The optional site tour taking place on Wednesday, October 3, will be available to a limited number of registrants at a cost of \$25. A limited number of discounted registrations for government employees is available; inquiries should be directed to Lisa Good at 412-341-4898, or [lgood@nfma.org](mailto:lgood@nfma.org). Registration is online only at [www.nfma.org](http://www.nfma.org). Payment may be made by credit card, e-check or by check. Cancellations will be accepted through September 21, 2012; a \$50 processing fee will be applied regardless of the reason for cancellation. After September 21, 2012, there will be no refunds; however, substitutions from the same firm will be accepted. If weather conditions prevent attendance, proof of flight cancellations must be provided and a partial (50%) credit will be given to be applied to registration for a future NFMA event. For more details on the cancellation policy, contact Lisa Good at 412-341-4898.

## **OPTIONAL SITE TOUR**

As a complement to the Advanced Seminar, the NFMA is pleased to offer an opportunity to tour the host city of Detroit on Wednesday, October 3. The bus tour will showcase a variety of development projects, highlighting successful initiatives – and less successful efforts – to revitalize some of Detroit's most economically challenged neighborhoods. Details, including the presenters' names and the planned tour route, will follow. The bus will depart from the hotel at 1pm and return at 4pm. The cost of the tour is \$25. No refunds will be offered, but substitutions will be allowed. Only one bus will be used, so space is limited.

## **HOTEL**

The MGM Grand Detroit, 1777 Third Street, Detroit, Michigan is the site of the Advanced Seminar. The NFMA has reserved a block of rooms for registrants at the group rate of \$179/night. Please call 1-877-888-2121 to request reservations for the National Federation of Municipal Analysts group rate. You may also visit the following link to reserve online:  
<https://reservations.mgmmirage.com/bookingengine.aspx?pid=016&host=offer&code=NMF>  
The block closes on September 14; however, it may fill prior to that time if demand is high. If the room block fills, it may be necessary to reserve rooms at the public rate, or at a hotel nearby. Please call Lisa Good at 412-341-4898 if you have questions about finding a room. Please see your hotel confirmation for information on early/late checkout, deposits and cancellations.

## **ATTIRE**

Business casual is acceptable for the seminar.

## **TRANSPORTATION**

Taxi service from the Detroit Metropolitan Wayne County Airport to the MGM Grand costs an estimated \$35 - \$50 each way. Depending on traffic, the trip will take anywhere from 20 – 45 minutes. At this time, shuttle service is unavailable; to check on other transportation options, please call the hotel concierge at 1-877-888-2121.