



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

on

LEGAL, REGULATORY & TAX ISSUES

October 11 & 12, 2007

Ritz Carlton Pentagon City

Arlington, Virginia

PROGRAM

Thursday, October 11

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

8:00-8:15 a.m. ***Opening Remarks***
*Mark Stockwell, PNC Municipal Investment Group, NFMA Education
Committee Chairman*

8:15-9:30 a.m. ***The SEC on Regulatory Initiatives***
SEC Chairman Cox has issued a White Paper on the municipal bond market and has called for legislative action to provide the SEC with more powers to regulate the municipal market. The NFMA has stated that the problems listed in Chairman Cox's White Paper are not the only problems in the market that require attention and have requested guidance from the SEC and the MSRB regarding a specific set of issues: Materiality, primary market disclosure and the multi-tiered disclosure system operating in the primary market. This panel will discuss these issues as well as initiatives for regulatory oversight of both rating agencies and bond insurers.

Moderator: *Tom Weyl, NFMA Chairman and Vice President and Manager of Municipal Research, Eaton Vance Management*

Panelists: *Martha Haines, Chief, Office of Municipal Securities U.S. Securities and Exchange Commission; Frank Chin, Manager, Public Finance Department, Municipal Securities Division, Citi; Naomi Richman, Chief Credit Officer of US Public Finance Group, Moody's Investors Service*

9:30 – 9:45 a.m. ***Break***

9:45 – 11:00 a.m.

National Tax Issues

This session will include discussion of the IRS audit process for tax-exempt bonds, including how cases are selected for audit, the appeals process, what happens when an audit cannot be favorably resolved, including issues relating to bondholder taxation, and current audit initiatives and the survey of 501(c)(3) borrowers. It will also include discussion of Treasury plans for future regulations and a discussion of the legislative outlook.

Moderator: *Maxwell D. Solet, Member, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.*

Panelists: *Steven A. Chamberlin, Senior Manager, Compliance and Program Management, Tax Exempt Bonds, Internal Revenue Service; John J. Cross III, Associate Tax Legislative Counsel, Office of Tax Policy, U.S. Treasury; Kevin Meagher, Senior Legal Counsel, Fixed Income Division, Fidelity Management and Research Company*

11:00—11:15 am

Break

11:15 a.m. –
12:30 p.m.

Tax and Regulatory Issues for TOBs:

TOBS have become an important asset class across the municipal market place but their success is dictated by the careful legal structuring which allows the flow through of tax exempt income. This session will focus on the tax and legal treatment of TOBs, specifically looking at the new pool structures that have appeared since the beginning of 2006 with a focus on the evolution in the tax analysis that supports the structures. In addition, timely issues such as the return of market discount bonds to the TOB market and the use of alternate credit enhancements will also be addressed.

Moderator: *Mary Colby, Head of Municipal Research, Charles Schwab*

Panelists: *David Nirenberg, Tax Partner, McKee Nelson LLC; Todd Wallace, Tax Partner, Jones Day*

12:30-2:00 p.m.

Luncheon with Speaker

Speaker: *Frank Shafroth, Chief of Staff, Representative James P. Moran, D-VA*

2:00- 3:15 p.m.

GASB and Implementing New Disclosure Standards

The mission of the Governmental Accounting Standards Board to establish and improve standards of state and local governmental accounting and financial reporting is something most municipal analysts can rally behind. Recent GASB initiatives have ventured into post-employment benefits, derivatives, pollution remediation, real estate valuation, and pension obligations. With an increasingly diverse array of

projects facing issuers, the implementation of the standards is getting more attention. This panel will provide a brief update on current GASB initiatives and a discussion among those using the standards about implementation of new standards and what policy implications can emerge.

Moderator: *Alex Fraser, Managing Director, Standard & Poor's*

Panelists: *David Bean, Director of Research, GASB; Suzy Whittenton, Director of Fiscal Management State of Texas Comptroller's Office*

3:15-3:30 p.m.

Break

3:30-4:45 p.m.

Market Impacts of Tax and Regulatory Changes

The influx of leveraged, structured, crossover and foreign investors over the last two years has greatly increased the municipal market's already strong sensitivity to changes in tax and regulatory policy. In this panel, we will discuss how different participants may interpret (and price) an array of potential developments including tax rate increases, loss or dilution of the tax exemption, the Davis case, AMT, disclosure improvements, etc., and what the implications may be for issuers and the municipal market in general.

Moderator: *Matt Fabian, Senior Analyst, Municipal Market Advisors*

Panelists: *Jonathan Fiebach, Co-founder and Chief Investment Officer, Duration Capital; Second panelist TBD*

5:00-6:00 p.m.

Cocktail Reception

Friday, October 12

8:00-8:30 a.m.

Continental Breakfast

8:30-9:45 a.m.

State Tax & Court Issues

Tax reform is guiding state policy decisions nationwide and recent and pending court rulings are changing the way states think about their tax structure. This panel will discuss how these issues may affect the way analysts view certain municipal bonds. Our panelists will explore court rulings that may affect the tax-exempt status of municipal bonds and states' rights related to the commerce clause. The panel will also present specific state efforts to restructure taxes away from property tax and more towards business taxes. Finally, the Florida tax reform effort will be explored as a case study.

Moderator: *Jessalynn Moro, Senior Director, Fitch Ratings*

Panelists: *Bruce Serchuk, Partner, Nixon Peabody, LLC; Billy Hamilton, consultant, former Chief Deputy Comptroller of Public Accounts of Texas;*

Ben Watkins, Director, State of Florida, Division of Bond Finance

9:45-10:00 a.m. ***Break***

10:00 – 11:30 a.m. ***Defaults and Workouts - Legal Aspects from the Analyst Perspective***

As the high yield market heats up, the default rate is sure to increase. Institutional investors, who traditionally acquire large positions in the high yield deals they own, often control the default and workout effort. An increasing number of distressed credit investors also play a major role in resolution of defaults. For most institutional investors, analysts are the primary business people responsible for guiding the workout process. This session will focus on legal issues that impact defaults and workouts from the analyst's perspective, including potential limitations on forbearance agreements and bond restructuring, and the benefits and detriments of remedies such as receivership and bankruptcy.

Moderator: *Erik P. Kimball, Shareholder, Akerman Senterfitt*

Panelists: *Janine H. Idelson, Fixed Income Counsel, MFS Investment Management; William P. Smith, Partner, McDermott Will & Emery; Jeffrey M. Wilson, Managing Director, Saybrook Capital*

11:30 a.m. ***Seminar Adjourns***

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

EDUCATION CO-CHAIRS

*Mark Stockwell, PNC Municipal Investment Group, NFMA Education Committee Chairman
Robert Donahue, Fidelity Research, NFMA Education Committee Co-Chairman*

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Sponsorship Opportunities are available for this Advanced Seminar. Contact Lisa Good, NFMA Executive Director for more information. Lgood@nfma.org / 412-341-4898.

REGISTRATION

Registration for the seminar is \$450 for full members of the NFMA and its Constituent Societies and \$500 for non-members, which includes all seminar materials, two continental breakfasts, one luncheon and the cocktail reception. Registration can be done online only at www.nfma.org. Payment may be made by credit card or by check; online registration is required for either method of payment.

The registration deadline is September 26, 2007. Cancellations will not be accepted after September 26, 2007; however, substitutions may be made with advanced notice to the NFMA. Please call Lisa Good, Executive Director, at 412-341-4898 with any questions. Individuals will be sent email confirmations of registration; please contact the NFMA if you do not receive a confirmation.

HOTEL

The Ritz Carlton Pentagon City, Arlington, Virginia, has been selected as the site of the Advanced Seminar. A block of rooms has been established for seminar attendees for the nights of October 10 and 11. The group rate is \$299/night. Individuals should call the hotel directly at 703-415-5000 or 800-241-3333 and request the National Federation of Municipal Analysts' group rate. Online reservations may be made at www.ritzcarlton.com with the group code of NFMNFMA. *The room block will be closed on **Wednesday, September 19, 2007**. Please bear in mind that the block may fill prior to that date. Reservations received after the cut-off date will be accepted on a space availability basis.*

ATTIRE:

Business casual is acceptable for the seminar.

TRANSPORTATION:

The Ritz Carlton Pentagon City is located near the Metrorail. The Blue and Yellow lines run from the Ronald Reagan National Airport (DCA) to the hotel; Pentagon City is two stops from the airport. To view the map, please click on the following link:
<http://www.wmata.com/metrorail/systemmap.cfm>.

Cab fare from National Airport is approximately \$12 for the 5 minute ride.