



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

**ADVANCED SEMINAR  
on  
CURRENT EVENTS**

**October 16 & 17, 2008  
The Peabody Memphis  
Memphis, Tennessee**

**PROGRAM**

**Thursday, October 16**

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

8:00-8:15 a.m.      ***Opening Remarks***  
*Jeff Burger, Senior Research Analyst and Portfolio Manager, Columbia Management, NFMA Education Committee Co-Chairman*

8:15-9:30 a.m.      ***Bond Insurance I: A Post-Downgrade World***  
Is the financial guarantee model really “broken?” What is the potential for ratings restoration? When does “hibernation” morph into runoff? How much in claims will the legacy insurers experience on their ABS book when all is said and done? Is “commutation” of CDS guaranty policies actually helpful to legacy policyholders? How do the interests of equity owners, parent company debt holders, CDS and insured policyholders rank and affect one another? What is the potential for new Aaa entrants?

*Moderator: Greg Aikman, BNY Mellon Wealth Management*

*Panelists: Robert Haines, Senior Analyst, CreditSights; Thomas J. Abruzzo, Managing Director, Fitch Ratings; Peter DeGroot, Managing Director, Municipal Index & Strategies Group, Lehman Brothers; Sean Dilweg, Wisconsin Commissioner of Insurance (invited)*

9:30 – 9:45 a.m.      ***Break***

9:45 – 11:00 a.m.      ***Bond Insurance II: How are Policyholders Affected by Legal and Regulatory Matters?***

What does the future portend for the former Aaa insured policyholders? How are insured municipal bond policyholders’ interests affected in runoff, and how do insured ABS policyholders factor into this? Who

speaks for policyholders in rehabilitation and how does this differ from bankruptcy? Which regulatory entity is leading the charge – Wisconsin, New York, Maryland or Bermuda? How would plans to start up new, separately capitalized insurers affect the legacy policyholders' interests?

*Moderator: Jeffrey Kaufmann, AIG Investments*

*Panelist: Harold Horwich, Esq. and Stephen Hryniewicz, Esq., Bingham McCutchen LLP*

11:00—11:15 am

***Break***

11:15–12:30 pm

***Ratings***

As a consequence of the turmoil with the monoline bond insurers, the market has refocused its attention on bond ratings. With the market interest has come political attention. The NFMA has released two statements this year – the first on the global rating scale and the second on the value of underlying ratings. The California Treasurer began a very public critique of the rating scale and Rep. Barney Frank sponsored HR 6308 aimed to firmly define the rating scale before the Connecticut Attorney General filed its lawsuit against the rating agencies. This panel will discuss the challenges within this sector.

*Moderator: Stephen Winterstein, Managing Director, PNC Capital Advisors*

*Panelists: Chuck Emrich, Vice President, T. Rowe Price; Patrick Born, CFO, City of Minneapolis; Philip Fischer, Managing Director, Merrill Lynch.*

12:30-2:00 p.m.

***Luncheon Speaker*** - *Steven Cochrane* is Senior Managing Director at Moody's Economy.com where he directs a broad range of the firm's economic research activities. Dr. Cochrane directs the regional economic service in which he manages a large-scale econometric system of regional models that are used to provide projections of economic, demographic, real estate, and financial indicators. Dr. Cochrane oversees the forecasts for all 50 states. He directs current work in developing regional models for the Moody's Economy.com international services.

Dr. Cochrane is editor of the Regional Financial Review, our monthly publication that analyzes current macro, regional, industry and international economic trends.

Dr. Cochrane is also a frequent contributor to the Dismal Scientist web site where he comments on a variety of macroeconomic and regional economic issues. He is a regular speaker at the Moody's Economy.com executive briefings and teleconferences, and has appeared or spoken on Wall Street Radio, NewsHour with Jim Lehrer and CNBC.

Dr. Cochrane received his Ph.D. in Regional Science from the University of Pennsylvania, his master's degree from the University of Colorado, and his bachelor's degree from the University of California at Davis.

2:00- 3:15 p.m.

***Legislative Initiatives: Help or Hindrance?***

Many state and federal legislative initiatives are billed as means of providing relief to taxpayers and/or homeowners. Whether or not they turn out that way, these actions have often wreaked havoc for local governments scrambling to understand the new rules and estimate their impact on revenue. This panel will look at a number of initiatives and how they have affected, or may affect in the future, governmental operations.

*Moderator:* Amy Laskey, Fitch Ratings

*Panelists:* Ben Watkins, Director, Florida Division of Bond Finance; Gary W. Bornholdt, Counsel, Nixon Peabody; Other panelist TBD

3:15-3:30 p.m.

***Break***

3:30-4:45 p.m.

***Cautionary Tales from 2008***

The Jefferson County, AL sewer system and Vallejo, CA have each found themselves a part of municipal finance lore following management decisions that have come home to roost in 2008. One a very large issuer and the other rather small – how can we best identify these situations?

What is the perspective of the bond insurers on this? Is it now acceptable for issuers and elected officials to file for bankruptcy to avoid problems set in motion by their predecessors?

*Moderator:* John Hallacy, Managing Director, Merrill Lynch

*Panelists:* James Spiotto, Partner, Chapman and Cutler, LLP; Andreas Rauterkus, Ph.D., Assistant Professor of Finance, UAB School of Business

5:00-6:30 p.m.

***Cocktail Reception Sponsored by Morgan Keegan***

**Friday, October 17**

8:00-8:30 a.m.

***Continental Breakfast***

8:30-9:45 a.m.

***Liquidity***

The variable rate and bank LOC/liquidity markets are in turmoil and the availability of bank liquidity has become scarce and increasingly expensive for Issuers. What has caused the banks' appetites for municipal VRDB

exposure to decrease, what has this changing environment meant for Issuers and buy-side credit analysts, and how will it change over the ensuing year?

*Moderator: Ben Schuler, Analyst, Fidelity Investments*

*Panelists: Adam Rudner, Director, Citigroup Global Markets Inc.; Marjorie E. Henning, General Counsel, New York City Office of Management and Budget; William R. Collins, The Bank of Nova Scotia*

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

10:00 – 11:30 a.m. **Counterparty Risk**

What is the status of the LOC market and where is it headed? What is the state of the overall financial sector and under what circumstances will banks be able to maintain, let alone extend, liquidity in the market? Does the movement of analysts to regional banks make a difference?

This panel will extend the discussion of the impact of bank troubles on LOCs to credit default SWAPs, GICs, debt service surety bonds, pre-paid gas contracts, and other products.

*Moderator: Geoffrey Buswick, Managing Director, Standard & Poor's*

*Panelists: Pat McCoy, Director of Finance, New York Metropolitan Transportation Authority (invited); Gavin Murrey, Morgan Keegan; Other panelist TBD*

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**

*Jeff Burger, Columbia Management, NFMA Education Committee Co-Chairman*

*Alex Fraser, Standard & Poor's, NFMA Education Committee Co-Chairman*

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### **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](http://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 30, 2008. Cancellations will not be accepted after September 30; however, substitutions may be made with advanced notice to the NFMA. Cancellations will be subject to a \$50 processing fee prior to the cancellation deadline and a 50% cancellation fee after the cancellation deadline. 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 Peabody Memphis, 149 Union Avenue, Memphis, TN, has been selected as the site for this Advanced Seminar. Rooms have been blocked for the evenings of Wednesday, October 15 and Thursday, October 16. The NFMA group rate is \$195 per night. Please contact the hotel directly at 1-800-PEABODY (press selection 2) or 901-529-3646 to make reservations. The room block will close at 5:00 p.m. Eastern Time on September 20. After September 20, the rate for rooms, if they are available, will be the same as those offered to the public.

### **ATTIRE**

Business casual is acceptable for the seminar.

### **TRANSPORTATION**

Memphis International Airport is a 15 minute ride from The Peabody Memphis. Private limousine service can be reserved in advance through the hotel Concierge. And taxi cabs are readily available. A downtown hotel shuttle is available through [TennCo Express Airport Shuttle](#) and can be arranged through the hotel Concierge or by calling 901-522-0001. The downtown shuttle picks up guests at the Union Avenue entrance of The Peabody on an hourly basis. The shuttle costs \$15 one way and \$25 round-trip. Parking for registered guests of the hotel is \$16.00 per day with an additional \$5.00 charge for valet service.