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## Issuer, Analyst and Bond Attorney Groups Set to Team Up

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By [Andrew Ackerman](#)

WASHINGTON — Three market groups are moving forward with plans to collaborate on new guidelines to improve the quality of derivatives disclosure and the more timely release of financial information.

While the three groups — the Government Finance Officers Association, the National Federation of Municipal Analysts, and the National Association of Bond Lawyers — are open to the idea of working on a single set of joint guidelines, each group appears to be moving forward with its own individual guidelines that it hopes to develop with the input of the others.

The collaborative effort among the groups, which is in its early stages, was first broached during a Municipal Securities Rulemaking Board roundtable of muni market groups last month, but was not publicly announced until NABL's Tax and Securities Institute last week in Indian Wells, Calif.

"We're not sure what the ultimate work product from the three groups will be or what format it will take, but we're excited about working together," Teri Guarnaccia, a partner at Ballard Spahr in Baltimore and chair of NABL's securities law and disclosure committee, said yesterday.

To coordinate with GFOA and NFMA, NABL has tapped Guarnaccia, as well as Ken Artin, managing shareholder of Bryant Miller Olive PA's Orlando office and liaison between the securities law committee and NABL's board.

Guarnaccia said yesterday that NABL is hoping to coordinate with the other groups on two of her

committee's projects: one on derivatives disclosure and another on the disclosure of letters of credit. She stressed that both are in their early stages.

Meanwhile, Frank Hoadley, chairman of GFOA's debt management committee, said his group is eyeing the possibility of "fleshing out" a best-practices document on continuing disclosure that it approved last month and that GFOA's executive board will consider next week.

Assuming they approve the measure, the debt committee would consider building on some of its recommendations, possibly with a new checklist, with input from NABL and NFMA, according to Hoadley, who is Wisconsin's capital finance director.

The GFOA plans to coordinate its efforts with the NFMA and NABL through Susan Gaffney, its federal liaison center director here.

While no timetable has been set, GFOA members said they may be able to add to their continuing disclosure document by May, to give NFMA members a chance to discuss it at their annual conference in Santa Ana Pueblo, N. M. The measure could then be taken up again at GFOA's June annual conference in Atlanta.

Meanwhile, the NFMA is moving forward with establishing a disclosure subcommittee to develop two best practices documents – one on general obligation debt and another on dedicated-tax bonds – for which it expects to have participation from the other groups, according to NFMA chairman Mark Stockwell, director of municipal research at PNC Capital Advisors in Philadelphia.

Currently, disclosure guidelines for both categories of debt are addressed in a single best-practices document that has not been updated since December 2001.

Though both categories of debt are backed by taxes, they consist of different structures that the NFMA believes demand different types of information for analysts. Dedicated tax bonds would include highway revenue bonds and sales tax bonds, such as California's economic recovery bonds.

The subcommittee will be formed by Greg Clark, the NFMA's vice chairman and a principal at his firm Municipal Credit Consultants LLC in Somers, N.Y., as well as Brian Tournier, who co-chairs the analyst

group's disclosure committee with Clark and is a vice president and director of credit analysis at Stern Brothers & Co. in St. Louis.

Stockwell stressed the NFMA also plans to continue discussions with GFOA, NABL, and other industry groups to develop consensus on how issuers might be able to provide both quarterly disclosure documents as well as more timely annual audits.

Asked about the GFOA's best-practices document on continuing disclosure, Stockwell said: "If called upon, we would be more than happy to provide input in their disclosure practice documents."

Asked about the collaboration among the market groups, MSRB executive director Lynnette Hotchkiss said in a statement: "We are interested in and encouraged by the conversations happening between issuers and investors, and firmly believe that more and timely disclosure in the municipal market is beneficial for all market participants."

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