

## **MuniPOINTS: The Point-of-Sale Disclosure Solution**

**MuniPOINTS**<sup>®</sup> provides easy access to extracted deal information on U.S. municipal bonds and related disclosures, including material event notices.

**MuniPOINTS** helps broker-dealers to comply with MSRB Rule G-17, G-19 and G-30 as part of the guidelines set forth by the SEC under the Securities Exchange Act of 1934 (as amended) Rule 15c2-12, governing continuing disclosures.

Amendments to this rule became effective **December 1, 2010**.

- “The Securities and Exchange Commission (SEC) has recently approved amendments to Securities Exchange Act Rule 15c2-12, governing continuing disclosures. Firms that sell municipal securities should review and, if necessary, update their procedures to reflect the amendments, which have a compliance date of December 1, 2010.” Source: [FINRA NOTICE 2010-41](#)
- “...Firms may also have a duty to obtain and disclose information that is not available through EMMA, if it is material and available through other public sources. The public availability of material information, through EMMA or otherwise, does not relieve a firm of its duty to disclose that information.” Source: [FINRA NOTICE 2010-41](#)
- “A dealer’s specific investor protection obligations, including its disclosure, fair practice and suitability obligations under MSRB Rules G-17 and G-19, may be affected by the status of an institutional investor as a Sophisticated Municipal Market Professional (SMMP). See Rule G-17 Interpretation – Notice Regarding the Application of MSRB Rules to Transactions with Sophisticated Municipal Market Professionals (April 30, 2002)” Source: [FINRA NOTICE 2010-41](#)

### **Is your firm fully in compliance given the new rule changes?**

To comply with these rules, broker-dealers need access to comprehensive secondary market disclosure information at the CUSIP, Issuer and Obligor level. In addition, FINRA has stated that firms must have an auditable process in place to ensure that investors are aware of all material disclosure prior to a security transaction.

- Fines to broker-dealers have topped \$50,000 for violations of these rules in the past.
- FINRA and the MSRB have both stated repeatedly that using the EMMA site alone is not enough to meet the new regulatory requirements.

### **How MuniPOINTS support your compliance**

**MuniPOINTS** are concise one-to two-page fact sheets, containing descriptive information taken verbatim from the official statement. They also offer one-click access to all historical continuing disclosure filings at the CUSIP, Issuer and Obligor levels including:

- The official statement as well as any amendments or advance refunding documents
- Any material event notices that have been filed pertaining to the specific CUSIP

- All the financial statements and continuing disclosure filings that have been submitted to the official disclosure repository for the obligor of the deal

**MuniPOINTS** fact sheets are available for approximately 90 percent of the municipal securities offered for sale in the United States (over 1,300,000 CUSIPs for deals dated from September 2001-present). Through **MuniPOINTS** users can also access all available disclosure on deals prior to 2001 via DPC DATA's historical archive, going all the way back to 1990.

Key benefits of **MuniPOINTS** include the following:

- Compliance and sales tool – **MuniPOINTS** provides a solution to help comply with MSRB Rules G-17, G-19 and G-30 in conjunction with the requirements of Rule 15c2-12.
- **MuniPOINTS** fact sheets are not considered to be 'advertising' by FINRA, and they can save you time and money while making salespeople more effective.
- **MuniPOINTS** fact sheets are extracted directly from the final official statement, thus mitigating compliance risk and giving salespeople and traders one-click print and email functionality to send disclosure documents to customers.
- Integration with trading platforms – DPC DATA has distribution channels in place with BondDesk, TheMuniCenter and Knight BondPoint to deliver **MuniPOINTS** directly to users on those platforms. **MuniPOINTS** can be integrated into other trading platforms and proprietary systems via our Direct Access portal as well.

## Regulatory Sweeps Increase

The SEC, FINRA and the MSRB have all stepped up their scrutiny of firms that offer or underwrite municipal bonds. In particular, FINRA investigators are conducting sweeps to gather information about compliance with Rule 15c2-12 and related MSRB rules. The scope of investigations includes sales, firms' supervisory practices, municipal bond transactions, marketing, pricing data and procedures, disclosure practices and investor complaints.

Failure to comply — or an inability to prove compliance—may have serious consequences. For example, a firm may be required to offer to buy back the bonds from the investor. FINRA may also impose fines for each failure to disclose material events to investors.

To ensure compliance, your firm may need to re-evaluate the policies and procedures governing its municipal securities business. For additional guidance, please see the following notices:

- [FINRA Regulatory Notice 2010-41](#)
- [MSRB Notice 2010-37](#)

"...Firms may also have a duty to obtain and disclose information that is not available through EMMA, if it is material and available through other public sources. The public availability of material information, through EMMA or otherwise, does not relieve a firm of its duty to disclose that information. Firms must also have reasonable grounds for determining that a recommendation is suitable based on information available from the issuer of the security or otherwise. Firms must use this information to determine the prevailing market price of a security as the basis for establishing a fair price in a transaction with a customer. To meet these requirements, firms must perform an independent analysis of the securities they sell, and may not rely solely on a security's credit rating." Source: [FINRA NOTICE 2010-41](#)

**Recent Articles on this issue from *The Bond Buyer*:**

[FINRA Exec: Vulnerability of Retail is a Growing Concern](#)

[Disclosure Raised at Hearing: Analyst to SEC: Info Stale, Spotty](#)

[FINRA Eyes Action Against Firms Selling Munis to Retail Without Disclosure](#)

***MuniPOINTS* Set-up Options**

- *MuniPOINTS* can be implemented through existing channel partners and requires no IT involvement on the part of client
- Direct implementation is easy via a simple web-based link
- Existing implementations have made *MuniPOINTS* available on the following screens:
  - Offerings
  - Issue Details
  - Order Preview
  - Order Status
  - Trade ticket
- *MuniPOINTS* is also available directly via the web at [www.munipoints.com](http://www.munipoints.com)

***MuniPOINTS* Enabled-Workflow for Point-of-Sale Disclosure**

**Step 1** – *MuniPoints* fact sheets and access to continuing disclosure documents can be accessed by typing in a valid 9 digit CUSIP, or via a simple icon on a trading platform. In the screenshot below, note the “Available Disclosure” Link in the upper right.



SOURCE: OFFICIAL STATEMENT

Dated Date: 07/19/07  
 Orig. Par Amount: \$ 19,500,000  
 Obligor: SALEM  
 Obligor State: New Jersey  
 Issuer: SALEM CNTY N J IMPT AUTH REV  
 Issuer State: New Jersey  
 Issue Description: CITY-GTD-FINLAW ST OFFICE BLDG  
 Bond Type: Economic Development  
 Security Type: Double Barrel

### Issuer Summary

The Salem County Improvement Authority ("Authority") is a public body corporate and politic of the State and was created by a resolution of the Board of Chosen Freeholders of the County of Salem, New Jersey ("Board") pursuant to the Act. The Authority was established for, among other purposes, the purpose of providing for the construction of public office buildings, transportation facilities, the acquisition of equipment and the acquisition of property owned by the federal government. Subsequent amendments to the Act permit the Authority to provide for the construction of convention halls, solid waste disposal facilities, recreational/entertainment centers, low and moderate income housing, to plan, initiate and carry out redevelopment projects and to provide financing on behalf of certain non-profit entities. The governing body of the Authority consists of five members appointed by the Board.

### Key Facts

- ❖ Stand Up For Salem, Inc. ("Borrower"), is a New Jersey not-for-profit corporation with charitable purposes including, but not limited to, the following: "to research, discover, procure, purchase, restore, and assure the preservation, revitalization and rehabilitation of the office buildings, land, homes or other articles that may relate to the history and architecture of commercial areas of the City of Salem situate in the County of Salem, in the State of New Jersey" and "to promote, induce, assure and procure the economic revitalization of the said City of Salem."
- ❖ The City of Salem was incorporated in 1858 and is located in southwest New Jersey approximately thirty-five miles southeast of the City of Philadelphia and ten miles from the Delaware Memorial Bridge. In addition to its important role as the County Seat, the City is a residential community, a regional commercial center, and a source of service and industrial employment.
- ❖ The present population according to the 2000 census is 5,857.
- ❖ The largest employers in the City include Anchor Glass Container Co., Wire Pro, PSEG Nuclear Training Center, Today's Sunbeam and Farmers Mutual Fire Insurance.
- ❖ The largest properties within the City (2007) are Anchor Glass Acquisition Corp., Whispering Waters Apartments, Public Service Electric & Gas, AluChem, Inc. and Incollingo's Salem Properties.

### Use of Proceeds

- ❖ The Bonds are being issued by the Authority and the proceeds from the sale thereof are being used by the Authority to provide a loan to the Borrower, pursuant to a Loan Agreement dated as of July 1, 2007 for: (i) the acquisition of certain property located at 195 East Broadway, Salem, New Jersey 08079 and existing improvements thereon (commonly referred to as the Finlaw Building), as well as other nearby properties in the City, all to be consolidated and hereafter known as Block 61.01, Lot 23, on the Official Tax Map of the City (collectively, the "Existing Property"); (ii) the preparation of the Existing Property for development and improvement; (iii) the construction of the Existing Property of: (a) a five-story office building, in the approximate size of 50,000 square feet, to house various State agencies and other entities; and (b) an adjacent parking facility to house approximately 275 spaces; (iv) all other costs and expenses necessary therefore or related to the proposed project; and (v) the costs of issuance with respect to the proposed financing.

### Bond Security

- ❖ The Bonds are secured by: (i) an Indenture of Trust, dated as of July 1, 2007, by and between the Authority and the Trustee; (ii) a Loan Agreement, dated as of July 1, 2007, by and between the Authority and the Borrower; (iii) a Promissory Note, dated as of July 1, 2007, from the Borrower to the Authority; (iv) a Mortgage and Security Agreement from the Borrower, as mortgagor, to the Authority, as mortgagee, dated as of July 1, 2007; and (v) a Guaranty Ordinance, duly and finally adopted by the Common Council of the City and published in accordance with applicable law ("City Guaranty").
- ❖ Pursuant to the City Guaranty, the City has unconditionally guaranteed the payment, when due, of the principal of and interest on the Bonds. The City, upon endorsement of the Bonds, will be unconditionally and irrevocably obligated to levy ad valorem taxes upon all taxable real property within the City without limitation as to rate or amount when required under the provisions of applicable law and the City Guaranty for the payment, when due, of the principal of and interest on the Bonds.

Step 2 - Selecting the “Available Disclosure/MuniDOCS Online” link will provide access to all related disclosure for this particular CUSIP – *in real time* – including:

**MuniPOINTS** Available Disclosure MuniDocsOnline™

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Dated Date: 07/19/07  
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 Obligor: SALEM  
 Obligor State: New Jersey  
 Issuer: SALEM CNTY N J IMPT AUTH REV  
 Issuer State: New Jersey  
 Issue Description: CITY-GTD-FINLAW ST OFFICE BLDG  
 Bond Type: Economic Development  
 Security Type: Double Barrel

- ✓ the official statement (as well as any amendments or advance refunding documents)
- ✓ **any material event notices that have been filed that affect the specific CUSIP**, and
- ✓ all of the financial statements and continuing disclosure filings for the obligor of the deal.

Step 3 - The user is presented with the following browser screen to review and access the underlying disclosure documents:

**Final Official Statements**  
 1 Documents match this security

Dated Date	State	Issuer Name Issue Description	Document Type	Par Amount	Price	Buy
07/19/2007	NJ	SALEM CNTY N J IMPT AUTH REV Obligor: SALEM CITY-GTD-FINLAW ST OFFICE BLDG File size : 13.9 mb	Official Statement	\$19,500,000.00	\$0.00	<input type="checkbox"/>

**Material Event Notices**  
 4 Documents match this security

Date Filed	State	Filing Entity	Event Type	Price	Buy
08/23/2010	NJ	Salem County Improvement Authority Headline: CITY-GTD REV BDS SER 2007 DTD JUL 19, 2007 (FINLAW ST OFFICE BLDG PROJ) File Size : 11617 bytes	Unscheduled Draws on Debt Service Reserves	\$0.00	<input type="checkbox"/>
08/17/2010	NJ	Salem County Improvement Authority Headline: CITY-GTD REV BDS SER 2007 DTD JUL 19, 2007 (FINLAW ST OFFICE BLDG PROJ) File Size : 16696 bytes	Unscheduled Draws on Debt Service Reserves	\$0.00	<input type="checkbox"/>
02/22/2010	NJ	Salem County Improvement Authority Headline: CITY-GTD REV BDS SER 2007 (FINLAW ST OFFICE BLDG PROJ) File Size : 27062 bytes	Unscheduled Draws on Debt Service Reserves	\$0.00	<input type="checkbox"/>
02/17/2009	NJ	SALEM CNTY N J IMPT AUTH REV Headline: DTD 07/19/2007 CITY-GTD-FINLAW ST OFFICE BLDG File Size : 20646 bytes	Unscheduled Draws on Debt Service Reserves	\$0.00	<input type="checkbox"/>

**Financials / Continuing Disclosures**  
 10 Documents match this security

Relevant Document Date	State	Document Description	Filing Type	Price	Buy
12/31/2008	NJ	SALEM (AUDITED) Obligor: SALEM File Size : 2.94 mb	Annual Financial Statement	\$0.00	<input type="checkbox"/>
12/31/2008	NJ	SALEM (AUDITED) Obligor: SALEM File Size : 9.25 mb	Annual Financial Statement	\$0.00	<input type="checkbox"/>
12/31/2007	NJ	SALEM (AUDITED)	Annual Financial	\$0.00	<input type="checkbox"/>

### Additional Functionality

**Step 4** - Send to Printer will allow user to print the *MuniPOINTS* record

**Step 5** - Email this Report creates a PDF file of the *MuniPOINTS* fact sheet and opens up an instance of Outlook so that the fact sheet and links to all continuing disclosure for the CUSIP can be sent to your customer.

**MuniPOINTS** Available Disclosure MuniDocsOnline™

**Find a Bond**  
CUSIP:

E-mail this report  
 Send to printer  
 Log out

**Issuer Summary**  
The Salem County Improvement Authority ("Authority") is a public body corporate and politic of the State and was created by a resolution of the Board of Chosen Freeholders of the County of Salem, New Jersey ("Board") pursuant to the Act. The

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Issue Description: CITY-GTD-FINLAW ST OFFICE BLDG  
Bond Type: Economic Development  
Security Type: Double Barrel

MuniPOINTS Report: SALEM CNTY N J IMPT AUTH REV - Message (HTML)

This message has not been sent.

To: |  
Cc: |  
Subject: MuniPOINTS Report: SALEM CNTY N J IMPT AUTH REV  
Attach: MuniPOINTS Report-SALEM CNTY N J IMPT AUTH REV.pdf (47 KB)

**Step 6**- From the PDF file, sent via email, recipient can view all documents for that CUSIP as well.

**DPCDATA**

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<http://www.munifilings.com/munifilings/speedSearch.do?affiliateId=1&memberId=MPSMPSMPSDHLBRU&cusip=794102CW1>

