

MuniGUARD Professional

Compliance Tool to Address MSRB Rules G-17, G-19 and G-30

DPC DATA Inc. maintains the most accurate, timely and comprehensive archive of municipal securities disclosure data available. Through *MuniGUARD*[®] Professional, we can now bring you streamlined access to the most critical information – immediate notification of official disclosure filings, including all material event notices.

What is *MuniGUARD* Professional?

MuniGUARD Professional is a premium surveillance service that provides easy access to critical disclosure information on U.S. municipal securities.

MuniGUARD Professional is available as a data feed of all material event information on a daily basis. The information is available in real time, intraday or end-of day-feeds, and the large menu of critical information available is fully customizable.

Updated daily for new event information, the basic *MuniGUARD* data elements include:

- | | | |
|---------------------|-----------------|------------------------------|
| ▪ Event Date & Time | ▪ Obligor Name | ▪ Issue Description |
| ▪ Event Type | ▪ Obligor State | ▪ Reporting Entity & State |
| ▪ Event Headline | ▪ Issuer Name | ▪ Dated Date |
| ▪ Event ID | ▪ Issuer State | ▪ CUSIP (with valid license) |

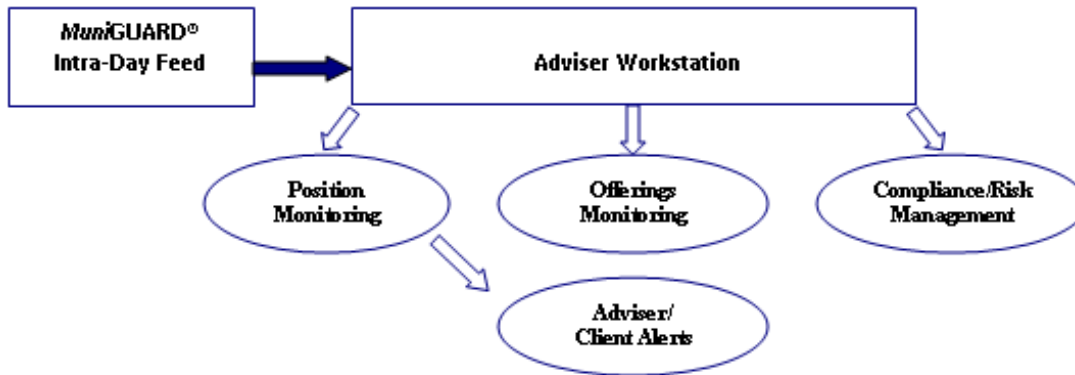
The equivalent of a ‘corporate actions’ service for the municipal market, *MuniGUARD* Professional provides timely access to critical disclosure information to help keep investors fully informed of the current market climate, especially with securities that have been declared officially in distress^{*}. In addition to the critical event data, *MuniGUARD* Professional can also provide direct click-through access to the actual event notice itself and all disclosure related to the particular CUSIP including:

- All related Material Event Notices
- Financial Statements and Operating Data
- Full Official Statements, including Advanced Refunding Documents and Amendments

MuniGUARD Professional leverages a comprehensive database of over 80,000 municipal bond obligors that correspond to more than 3.5 million 9 digit CUSIPs, giving your firm the ability to link a specific material event at the CUSIP, Issuer and Obligor levels.

^{*} These include bonds declared to be in monetary default, technical default, or otherwise in distress by virtue of having drawn on a credit enhancement policy to pay principal and/or interest when due, or by having made an unscheduled draw on a debt service reserve fund.

MuniGUARD Professional enhances workflow while improving compliance



Why MuniGUARD Professional?

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 SEC 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 with the rules — or an inability to prove compliance — can have serious consequences.

For example, a firm found to be in violation could be required to offer to buy back the bonds from the investor. FINRA could also impose fines for each failure to disclose material events to investors. To ensure full compliance with the rules, your firm may need to reevaluate the policies and procedures governing its municipal securities business. For additional information, please see the following notices:

- [FINRA Regulatory Notice 10-41](#)
- [FINRA Regulatory Notice 09-35](#)
- [MSRB Notice 2009-42](#)

Rule G-17 - Conduct of Municipal Securities Activities

“...Dealers continue to be obligated to make the required time of trade disclosures to their customers mandated by Rule G-17, notwithstanding the availability to investors of comprehensive information from EMMA **and other established industry sources.**” Source: MSRB NOTICE 2009-42

Rule G-19 – Suitability of Recommendations and Transactions; Discretionary Accounts

“...The MSRB notes that Section (c) of Exchange Act Rule 15c2-12 provides that it is impermissible for a dealer to recommend the purchase or sale of a municipal security unless **the dealer has procedures in place that provide reasonable assurance that it will receive**

prompt notice of the specified material events that are subject to the continuing disclosure obligations of the rule. A dealer would be expected to have reviewed any applicable continuing disclosures made available through EMMA **or other established industry sources** and to have taken such disclosures into account in undertaking its suitability determination.” Source: MSRB NOTICE 2009-42

Rule G-30 – Prices and Commissions

“...As a general matter, in addition to information about prices of transactions effected by such dealers and other market participants in such security, **material information about a security available through EMMA or other established industry sources** may also be among the relevant factors that the dealer should consider in connection with ensuring fair pricing of its transactions with investors. Among other things, dealers would be expected to have reviewed any applicable continuing disclosures made available through EMMA or other established industry sources and to have taken such disclosures into account in determining a fair and reasonable transaction price.” Source: MSRB NOTICE 2009-42

May 7, 2010 *Bond Buyer* article on this same issue:

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

Key Uses of *MuniGUARD Professional*

MuniGUARD Professional is designed with the special needs of dealers and financial institutions in mind and has immediate impact on trading, credit research, customer relations, compliance, and portfolio management. And *MuniGUARD Professional* is designed so that you can integrate it easily into *your* custom applications and web portals to streamline these businesses uses:

- Filter munis according to suitability and risk profiles at the offerings and holdings level
- Give advisors a way to be proactive in the case of a material event that may impact the price of the bonds in a portfolio.
- Closely monitor market activity and flag material event notices, including distress events, in your trading positions or portfolios.
- Mitigate compliance risk with MSRB Rules G-17, G-19 and G-30 by ensuring access to critical event and continuing disclosure data as soon as it is available.
- Automate compliance reporting, including the Muni Report Card for Continuing Disclosure.

Easy to implement and customize for a variety of business needs, *MuniGUARD* is the fast, safe and reliable way to protect your customers and yourself.

For more information call 800.996.4747 or e-mail us at sales@dpcdata.com.

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