

Electronic Municipal Market Access (“EMMA”) System

The Municipal Securities Rulemaking Board (“MSRB”) has implemented its EMMA system, a free and publicly accessible website for municipal disclosure documents. In connection with the implementation of the EMMA system, the MSRB has amended its rules and the SEC has amended Rule 15c2-12. The changes impact both municipal primary market and continuing disclosure. The principal changes are summarized below.

Primary Market Disclosure (changes effective June 1, 2009)

- MSRB Rule G-32 previously required broker-dealers to deliver a hard copy of the Official Statement (“OS”) to the customer at or before settlement
- MSRB Rule G-32 has been amended to require that (1) underwriters submit an OS in electronic format to the EMMA system one business day after receipt from the issuer (but not later than the closing date) and (2) broker-dealers provide or send to their customers either (A) a hard copy of the OS or (B) notice how to obtain the OS from EMMA
 - this implements the “access equals delivery” concept, such that both POSs and OSs may be prepared solely in an electronic format
 - the electronic format is defined in the Rule as PDF, which after Jan. 1, 2010 must also be word-searchable
 - customers are permitted to expressly opt-out of electronic delivery and request that a hard copy of the OS be mailed to them, and may make such request a standing one
- MSRB Rule G-36 has been consolidated into Rule G-32 and its previous requirement that underwriters deliver a copy of the OS to the MSRB within 10 days of the bond sale has been superseded

Continuing Disclosure (changes effective July 1, 2009)

- SEC Rule 15c2-12 was amended, and the SEC staff has withdrawn the no-action letters of the prior NRMSIRs, with the net effect that all filings required by a Rule 15c2-12 agreement (new or existing) are to be filed with EMMA as the sole NRMSIR (and any voluntary filings will also be accepted by EMMA)
- Rule 15c2-12 will no longer refer to SIDs (but the appropriate state law will govern)
- Texas MAC, which has served as a central post office for Rule 15c2-12 filings, will no longer provide such service after June 30, 2009