



Disclosure Working Groups: Their Roles and Responsibilities

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Why are Disclosure Working Groups important?

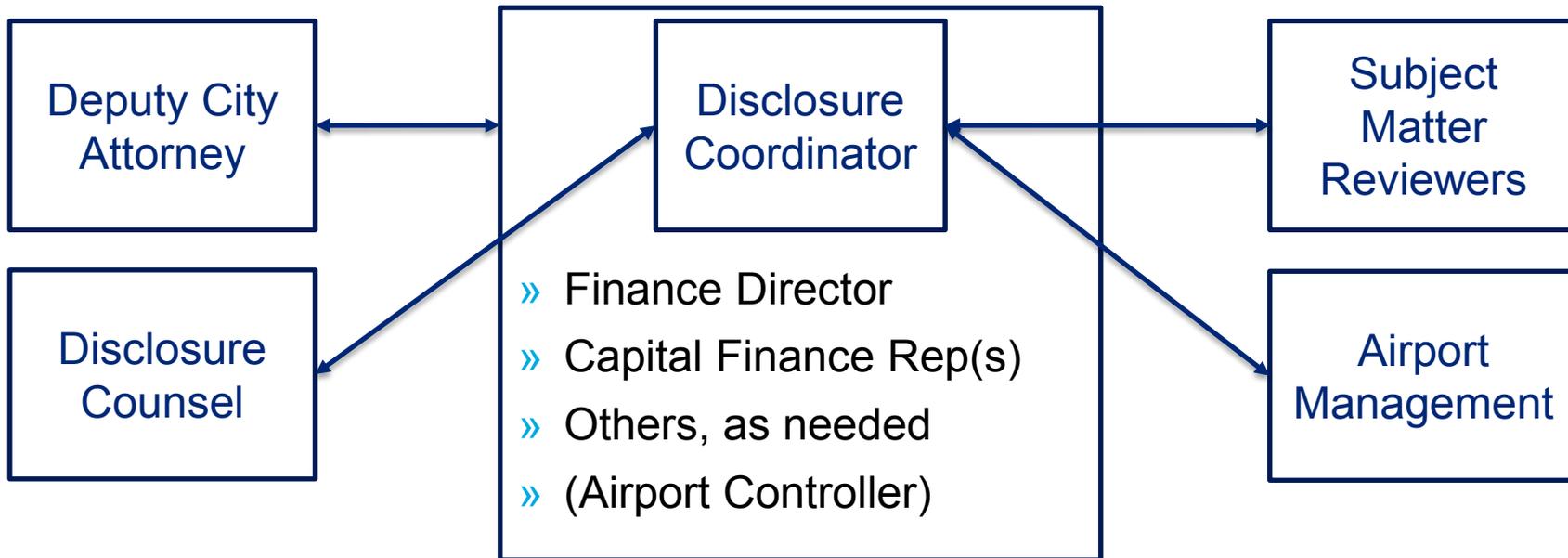
- » Help address key problems SEC has found in municipal securities market
 - “Silo” effect
 - Where a government is so divided into bureaucratic departments that they do not effectively communicate or share information
 - Sensitive to “those in the room”
 - Where a government sensitizes itself to the voices in the local political dialogue and thus can be insensitive to the perspectives and needs of investors who are outside of the room
 - Political influence
 - Where a government’s political or policy narrative can come to dominate the content and process of disclosure.

Why are Disclosure Working Groups important?

- » Disclosure working groups can help these problems:
 - “Silo” effect
 - By making sure all of the right people are in the group and by making sure that the group asks the right questions, the group can help break down “silo” walls.
 - Sensitive to “those in the room”
 - By making sure that the group exists only for the purpose of thinking about the issuer from the investor’s perspective, it sensitizes the issuer to the needs of investors.
 - Political influence
 - By ensuring that the group is focused just on investors and is a “no spin” zone for the issuer, the group can help to create an autonomous understanding of the financial and operating condition of the issuer and thus counteract potential political forces.

Case Study – Large Issuer – San Francisco International Airport

Disclosure Working Group



Disclosure Working Group

» Responsibilities:

- General oversight of disclosure process
- Identify Subject Matter Reviewers
- Review each disclosure document & investor relations website
- Participate in due diligence activities
- Periodically review the Airport's Disclosure Policy & Procedures
- Periodically review compliance difficulties & recommend changes
- Waive procedures when appropriate