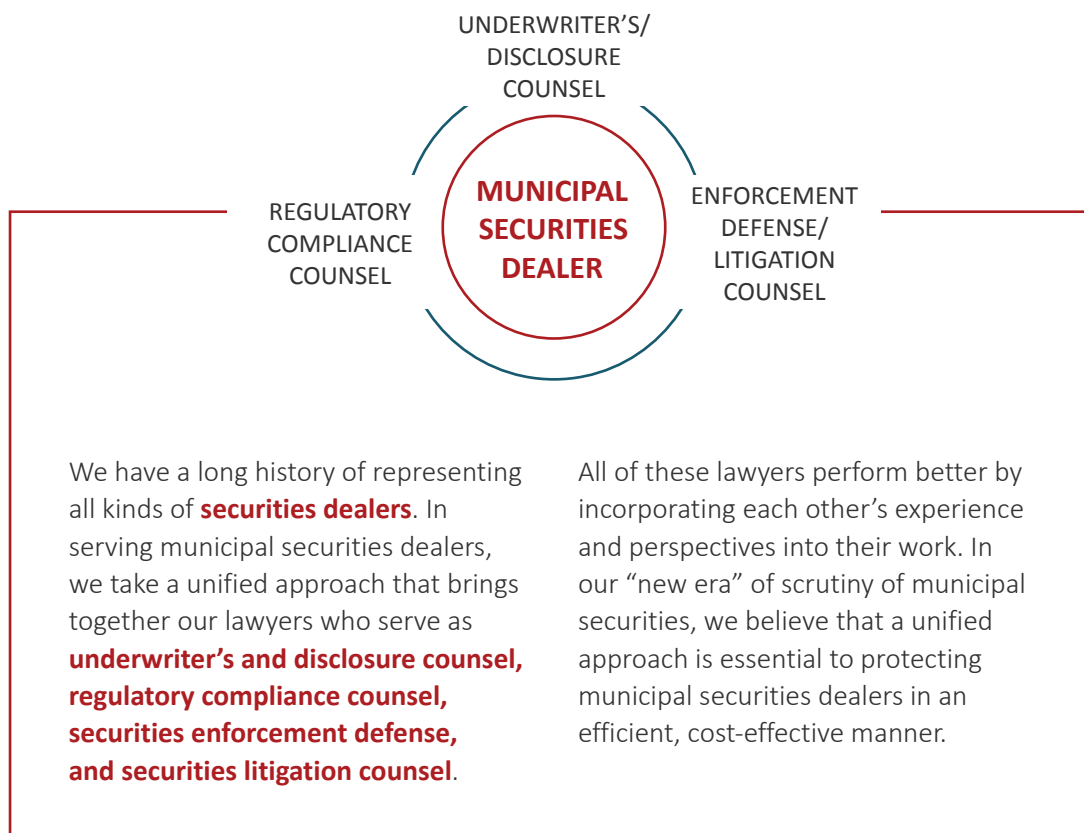


# LEGAL SERVICES FOR MUNICIPAL SECURITIES DEALERS



# DISCLOSURE COUNSEL & UNDERWRITER'S COUNSEL

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Over the years, municipal securities dealers have **involved disclosure counsel or underwriter's counsel on municipal financings inconsistently**. This inconsistent use of counsel has predictably led to significant diligence gaps from deal to deal, and wildly divergent documentation practices — but was tolerated by law departments and compliance officers in a cost-conscious, low-default environment absent of significant regulatory scrutiny.



## TIMES HAVE CHANGED

The financial crisis first brought the Dodd-Frank Act, and shortly thereafter the *SEC's Report on the Municipal Securities Market*, which was followed by a Risk Alert on *Strengthening Practices for the Underwriting of Municipal Securities*. The Risk Alert announced a significant shift in the Commission's National Examination Program ("NEP") toward a new focus on municipal securities underwriting activities.

In this environment, the challenge for municipal securities dealers is to spread consistent due diligence and documentation practices across as much of their platforms as they can, as cost effectively and with as little disruption to their business as possible. Our firm has a track record of helping municipal securities dealers — in particular, middle market and regional municipal securities dealers — meet this challenge. Our approach is based on experience, and leverages effective process and flexible fee arrangements.



## EXPERIENCE

We have broad experience serving as disclosure counsel and underwriter's counsel on a wide variety of governmental financings. Our lawyers are frequent industry speakers, are supported by our firm's larger platform (including lawyers in our real estate, taxation, tax-exempt organizations, public utilities, and bankruptcy practice groups), and are known for their can do attitude.



*Our focus on process is meant to drive efficient, consistent practices — and produce work product that can withstand regulatory review.*

## FOCUS ON PROCESS

OUR USE OF PROCESS DISTINGUISHES OUR TEAM. We have developed processes that help us **provide services cost-effectively over a large number of transactions**. These range from technology solutions like online calendars and uniform electronic diligence files, to organizational solutions like leveraging legal specialists and a research team within our Library Services department.



### FLEXIBLE FEE ARRANGEMENTS

While we are happy to work on the **traditional deal-by-deal basis**, we also **welcome flexible fee arrangements**. We welcome fixed monthly fee arrangements where the fixed fee covers certain, identified transactions (*— e.g., all general obligation and essential utility issues in a certain number of states*). In these instances, the fixed fee can be significantly smaller than the aggregate fees that would result by charging on a deal-by-deal basis. We believe these alternative fee arrangements foster true partnerships between our clients and our firm.

*In the end, the value proposition to the municipal securities dealer is consistent process, at lower cost, in a meaningful partnership with outside counsel.*

# REGULATORY COMPLIANCE COUNSEL



**KEEPING UP WITH REGULATORY ISSUES** has become a **vexing problem** for municipal securities dealers. As noted, following the Dodd-Frank Act, the SEC published its Report on the Municipal Securities Market. The Report sets forth a laundry list of market and disclosure concerns and recommendations, and has served as a **roadmap for a host of new regulatory proposals**.



The result is a **surge of regulatory activity** — with each week bringing a new enforcement action, a new rule, or another industry association conference call seeking comments in order to organize a response.



Against this background, compliance departments at municipal securities dealers — especially middle market and regional dealers — are **stretched thin, and compliance professionals are looking for resources to help them manage**.



**Very few law firms have a deep understanding of the sales, trading and underwriting functions** of municipal securities dealers. Fewer still focus on providing compliance services to middle market and regional municipal securities dealers, with an appreciation for the practical challenges facing lawyers and compliance officers from those firms — where practices are diverse and large law departments and compliance teams are rare.



We are determined to help municipal securities dealers meet these challenges. **Our goal is to ease the compliance burden as much as possible, so our clients can focus with confidence on what they do best — getting and executing deals.** We seek to supplement and complement our clients' law departments and compliance teams by providing prompt and practical counsel.

*Against this background, compliance departments at municipal securities dealers — especially middle market and regional dealers — are stretched thin, and compliance professionals are looking for resources to help them manage.*

# SECURITIES ENFORCEMENT DEFENSE & SECURITIES LITIGATION

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In addition to the **ever-present threat of securities lawsuits and FINRA arbitration actions**, municipal securities dealers are now **facing unprecedented levels of securities investigations and enforcement actions brought by the SEC, FINRA, and state securities regulators**. When faced with a securities investigation, enforcement action, lawsuit, or arbitration, dealers first and foremost need a law firm that can help them win.



Our litigation team has a **PROVEN TRACK RECORD OF SUCCESS**. We have a long history of successfully defending clients in the financial industry against investigations and enforcement actions brought by the SEC, FINRA, the National Association of Securities Dealers (NASD), and state securities regulators throughout the country. Our efforts have consistently resulted in securities regulators abandoning their attempts to charge our clients with securities violations. And when our clients have been named in securities lawsuits or FINRA arbitration actions, we have obtained similar results by either **dismissing those matters** or, when necessary, **prevailing at trial**.

We approach these matters in a manner consistent with our municipal securities dealer clients' approach to their business. We have a deep appreciation for the notion that our clients would rather not spend their time fighting with securities regulators or defending against securities lawsuits. We seek not only to prevail against adverse securities actions, but to do so as quickly and efficiently as possible. To that end, we have compiled an **impressive track record of convincing securities regulators to abandon their cases against our clients before filing formal charges through the strategic use of Wells Submissions**. We have also consistently dismissed adverse securities lawsuits against our clients at the outset of litigation through the use of motions to dismiss. We have even obtained sanctions against plaintiffs for filing securities lawsuits against our clients in the first place.

Beyond litigation, our litigation lawyers work seamlessly with our underwriter's counsel and compliance teams to fashion preventative measures that **help reduce litigation risk**. For example, our litigators analyze compliance policies and procedures, review due diligence procedures and questionnaires, and consult as particular matters arise on deals — all in order to identify and insulate our municipal securities dealer clients from potential enforcement and litigation risks from the onset.



*When faced with a securities investigation, enforcement action, lawsuit, or arbitration, dealers first and foremost need a law firm that can help them win.*

# AFFILIATIONS & REFERENCES

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Our lawyers are **active participants in industry associations** pertinent to the regional broker dealer community, including:

- National Association of Bond Lawyers (“NABL”),
- Bond Dealers of America (“BDA”), and
- Securities Industry and Financial Markets Association (“SIFMA”).

We make use of our BDA and SIFMA associate memberships to actively participate in conference calls and working group discussions (which we also sponsor and moderate) to stay abreast of regulatory changes – and to help shape regulatory changes.

We invite you to call upon our current clients for more information regarding our services.

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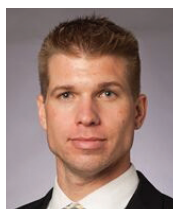


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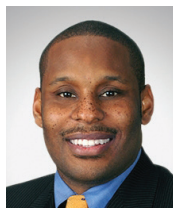


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