

**Securities and Exchange Commission Historical Society**  
**Interview with Martha Mahan Haines**  
**Conducted on March 4, 2014 by William Thomas**

**WT:** This is an interview with Martha Mahan Haines for the SEC Historical Society's virtual museum and archive of the history of financial regulation. I am William Thomas, the date is March 4th, 2014 and we are in Bethesda, Maryland. Thanks very much for agreeing to speak with us today. Why don't we begin with a little bit of your background? I understand that you're from the Detroit area, is that right?

**MH:** Yes, I grew up in Detroit back when it was a boom town and the auto industry was thriving, and went through Detroit Public Schools before leaving for college.

**WT:** Okay, and then I see you went to Wayne State University?

**MH:** Yes. First, I spent two years at the University of Utah in Salt Lake City, because what I really wanted to do at that point was to be a ballet dancer, and by going to the University of Utah, I was able to dance with a ballet company known as Ballet West, which was an incredible amount of fun – hard work, but an incredible amount of fun. My parents then became ill and I returned home, because they really needed help. I switched to becoming a history major at Wayne State, in Detroit.

**WT:** Okay, so then you finished that in 1974?

**MH:** That's right. I finished at Wayne State in '74 and enrolled at the University of Michigan Law School, where I got the greatest bargain of my whole life paying in-state tuition at Michigan Law.

**WT:** So what made you decide to go into law?

**MH:** I was a kid. After I was no longer going to do ballet, I thought about it and said, "Well, you know, what's next? I'm very goal-driven." I thought, well, there's medicine, there's business, and there's law. I hate chemistry. That eliminated all the medical professions. (Laughter) I thought about business, I thought that would be interesting, but, oh my God, I'd have to take accounting. So I'm a lawyer. That's about the level of analysis I went through. I like writing and I like dealing with people and logic, so it was a good fit.

**WT:** Did you have any sense of what sort of law you wanted to go into, or did you just kind of go through the program?

**MH:** I knew some of the things that I didn't want to be. In 1974 there were certain areas of law that tended to be where they put the women: probate law, divorce. I knew I didn't want to do those things. I wanted to do something other than those, and I didn't think I wanted to be a litigator – I felt like I had my performing experience, I guess – because I don't like conflict. I knew I didn't want tax, because it's a subject matter that you never, ever know because it's constantly changing. On a daily basis it's moving, and I thought over thirty years or so that would become tiring.

**WT:** So then did you end up in municipal securities law right away, or was there a transition into that? You went to Chicago.

**MH:** Yes, the best offer I got was from Chapman & Cutler in Chicago, and I got a letter one day while I was still in Ann Arbor saying they tried to match the interests of their incoming young lawyers with the needs of the firm, and so would you please list and send back number one, two, three, the departments you're most interested in being assigned to?

I knew what I didn't want to do, but I didn't really know what I wanted to do, and I thought about it, and I'd had a securities law class that I had enjoyed a great deal. I went back and I read Chapman and Cutler's firm description and noted that they had a national reputation in municipal bonds and did municipal bonds all over the country.

So I thought, hmm, that sounds interesting so I'll put down municipal bonds as number one, and securities law as number two, and I don't even remember what I put down as number three, probably corporate. When I arrived at Chapman they had assigned me to the Illinois Municipal Department and it was a great fit, because municipal law as a municipal bond lawyer is a much more collegial and cooperative endeavor than many other kinds of law. You are usually financing infrastructure for government or a hospital, sometimes things that are not so cool for private industry, but, on the whole, at the end of

the day you can see that you have accomplished something, and most of the time it's something that's for the public good.

**WT:** One of the things that I'll definitely be interested in finding out in your career as a bond lawyer before you went to the SEC is just how it changed over that period of time, and I imagine it was quite a great deal. In fact, when you arrived, let's see here, you finished your J.D. in '77, so that had already been a very interesting period in municipal bonds, and of course the MSRB had just been created. Was there a sense that it was in great change at that time, or was it kind of still viewed as being kind of this slow-moving area?

**MH:** The sense initially, as the securities law changed, was kind of: what is the SEC doing butting into our business? At that point there were only disclosure documents from major transactions. Most of the time something would go out that was more like a sales brochure. It might have some summary financial statements on the back, but not much. They were mostly sold by competitive bid then, it's the reverse now, and investors apparently just knew the issuers or –

**WT:** Mainly institutional investors at that time, right?

**MH:** No, it was still a lot of retail, but the difference was that friendly local banks usually bought a lot of them, and local people who wanted to invest in their schools or buy a bond from some local issuer. The banks really were one of the major purchasers for the

smaller deals, where it's not a well-known issuer. School District Number 203 in Cook County isn't well known outside of the state.

**WT:** I take it it would be mainly advising then, various clients? I saw on one of your bios that you worked with issuers, you worked with investors, you worked with underwriters; so, what was the main gist of the work?

**MH:** While I was at Chapman, I primarily acted as bond counsel. Bond counsel is a role that's unique to municipal finance. A bond lawyer is hired by the issuer in effect to represent the ultimate investors in the bonds, although the issuer is your technical client because you have to have someone – if you need somebody to waive a conflict or agree to some term – to turn to, but you're really looking out for the ultimate investor.

And the issuer needs the opinion, and you write an unqualified opinion that says, at base, that the bonds are valid and they are tax-exempt, if they are, and they usually are.

Certainly they almost always were back then. And this funny role developed after – in the 1800s there were a lot of municipalities that issued bonds in order to entice railroads to come through their towns, and they bought stock in railroads or they gave the money to the railroads in order to entice them to come through their town, because if you got a railroad stop in your town you were made, you were great.

Most of those bonds were ultimately held invalid. They were to be paid back by taxes. They had what they called panics then, in the 19th century, and we would call them

depressions or recessions now, and, as a result, there were a lot of taxpayer suits and a lot of court decisions holding bonds like that invalid.

In the municipal field, if bonds are invalid, they're completely void, there's no quantum meruit, the investor is just stuck with zero, and the issuer doesn't have to pay back those bonds at all. Investors didn't like that situation, and so in order to deal with it they created this role of bond counsel. Bond counsel issues this opinion to be relied on by the ultimate investors that says the bonds are valid and they usually are tax exempt. But it's a peculiar role. It's not found in corporate finance or anywhere else, as far as I know, just coming out of that history.

**WT:** So did that create a situation then where there wasn't much litigation at all around municipal bonds?

**MH:** Compared to the corporate world, no, not much, but there was still a fair amount early on. Cases during my career have been relatively rare. Usually they were what we call test cases for a new statute, or nobody's ever issued bonds under this provision of law before and we think it might have some constitutional problems, so you want to get a Supreme Court decision before you say it is valid, period. There have been some that have been brought on other grounds, but very few, especially relative to the size of the market. The thing that brings bondholder suits the most, of course, is a default. Then investors and everyone else affected come out of the walls and sue everyone in sight.

**WT:** Yes, I know you mentioned when a bond is held invalid, I know that was the case in the WPPSS scandal.

**MH:** That's right.

**WT:** But I don't know the degree to which that would be a highly isolated case or not.

**MH:** Oh, highly isolated. And actually, in WPPSS the court didn't hold the bonds invalid. What they held invalid were the take or pay contracts that had been entered into by a lot of the municipalities who were buying power. They held in Washington State that the communities that had signed up were not authorized by law to enter into take or pay contracts. Well, once the source of payment of your bonds goes away, your bond's going to default, so they were valid but in default.

**WT:** You mentioned offhand earlier industrial development bonds, which I know, when you first got into this area, were growing very fast. Can you think of anything of interest there that would've come up in your work?

**MH:** While at Chapman I didn't do very many IDBs. At Chapman I worked almost exclusively as bond counsel, and I generally worked on government infrastructure. I also did some of the very early single family mortgage revenue bonds, which were issued in order to create a pool of money that could be lent at essentially a tax exempt interest rate to first-time homebuyers, because that was a point when prime was 21, it was crazy, and

it was very hard for first-time homebuyers to get into a house because the payments were so high.

I also did some 501(c)3 financings, primarily for hospitals, and I did those in a number of different states while I was at Chapman, but always as bond counsel. I think I remember one time when I represented an underwriter at Chapman, but it wasn't common. I didn't do IDBs as a general matter. I can think of a couple that I did, but they were tiny. You know, at year-end, when the people that did IDBs were completely swamped because there was going to be a tax law change and anybody who walked by their door got dragged in and assigned to do a small IDB and take it off their plate.

**WT:** Would that have then been in the mid-80s, before the Tax Reform Act?

**MH:** It was actually a number of years in a row when that happened, and it was pretty exhausting to go through those year-ends year after year after year, but thankfully with the '86 Tax Act it stopped.

**WT:** So you were then at Chapman & Cutler until 1986?

**MH:** '87, I think maybe. At any rate, yes, I had a daughter who was about a year old at that point, and I had requested from the firm that they let me work part-time. They already had one lawyer working part-time and it had been seen as a success, but the wrong old men, frankly, were on the committee that had to decide and the message I got back was,

no, you had to “live the law,” and that despite the fact they’d had a success with one individual working part-time, they weren’t going to approve any more.

So I took all of my accumulated vacation time, and I said, “Okay, well I’m going to show you that this will work and how it will work.” I spent my leave one or two days a week, I took fewer deals, I spent it one or two days a week for about a year, and they still didn’t care that it worked beautifully and that my clients were happy. I’d also built up a nest egg while I was doing that, and so I quit and I decided I would stay home and be a mom for a while.

As it turned out, we went on vacation that summer and I remember a friend who was at another firm, Altheimer & Gray, tracking me down somehow. I was at a beach resort, and somehow he tracked me down and said, “Martha, we want you to come and work for us.” I said, “Listen, I’ll only work part-time.” “Yes, yes, yes. Come down, we’ll take you to lunch. We’ll cut the deal.” I thought, this isn’t going to work, but I haven’t been downtown recently. It would be kind of nice to have somebody wine and dine me for an afternoon, and then I’ll go shopping. I didn’t expect anything to come of it.

**WT:** I’m sorry, where were you living in Chicago? I’m just curious.

**MH:** I was living in Wilmette. I loved Wilmette.

**WT:** I went to Northwestern for my undergrad, so I know the area.

**MH:** I met with them and they basically told me to write my ticket, what did I want, and then they just said yes. I started working part-time at Altheimer & Gray, initially as an of counsel. They were offering me a partnership, and I discovered before I started that I was pregnant with a second child and was going to need to take some maternity leave.

So the deal I cut with them was I said, "Look, you know, really: part-time and pregnant. You've said all the right things. You're covered by the law, but isn't it going to be a little hard to stuff down the other partners' throats?" They said, "Yes, but we can cram it through." I said, "No. Make me of counsel for now, put me up for partnership a year after I'm back from maternity leave, and pay me the same, give me the same terms." And they thought that was a great idea, so I started of counsel.

And while at Altheimer & Gray I had a very wide scope of practice, it was much broader than being bond counsel. Sometimes I represented the issuer in a deal. We had a number of issuer clients at the firm. Sometimes I would represent the developer or the borrower on a private purpose fund, like an IDB or housing, a lot of rental housing for low and moderate income. I represented underwriters, doing the official statement and the securities work, just a lot of different parties to transactions and it was very valuable to me. I became a much better bond lawyer once I truly understood what the needs and issues were of the other parties to the transaction. I mean, I thought I knew, but once you stand in their shoes you know it a lot better, and so that was a very valuable experience.

I stayed there for quite a while, and then two things happened. One was, I'd been doing it a long time. I'd been doing this nearly twenty years, maybe eighteen, and there were no new mountains to climb, there were no new paths. And in fact I thought, well what if a brand new deal came along, like single family mortgage revenue bonds, where you just dreamed it up? How would you do this? Or when variable rate demand obligations first came in and were used by units of government instead of by conduit borrowers, I mean, I worked on the second-ever single family deal and I think the first ever governmental use of a variable rate demand obligation, and it was very creative to try and figure out how to make this all work, lots of different legal issues. But I thought, I've done a ton of those where it's new.

**WT:** Was that issued in Chicago or somewhere else?

**MH:** Oh, they were in Chicago. Actually, I've forgotten who the issuer was of that second one. The first issuer was the City of Chicago, I can't remember anymore. But I was getting kind of bored, and I thought, well, maybe it's the big firm practice. Maybe I would like it better if I was in a different atmosphere, it would be kind of different. And that was partly because the management of Altheimer & Gray had changed much for the worse. In fact, they subsequently went bankrupt. I was very happy to have all my capital back by the time they did that.

**WT:** You had made partner at some point.

**MH:** Yes, I was made partner a year after I came back from maternity leave, right on schedule.

**WT:** Did you stop being part-time at that point, then?

**MH:** No, I continued part-time.

**WT:** All the way through?

**MH:** All the way through. No, not all the way, once my daughters were older I went back full-time, because at that point I was divorced and I really needed full-time income, so I looked around and found a position with the small, newly opened office in Chicago of an Indiana law firm that was well known for bonds, Barnes & Thornburg. I went over to Barnes, because I thought that maybe the small office environment, and just being able to create something new in terms of the business, would be interesting. It was a good theory. I'm glad I tried it. I was wrong. (Laughter) It wasn't what I needed.

I had decided that this really wasn't doing what I needed, and I'm reading *The Bond Buyer*, which is the daily trade paper for municipal bonds, and there's an ad, the SEC is looking for an attorney fellow. I read the description. I thought that would be so much fun, but I'm never going to leave Chicago. I love Chicago. The next day it was in *The Bond Buyer* again, and I thought, what the hell, I'll send in my resume. They're not going to call me anyway, but we'll just take a flyer.

Well, they called me back almost immediately and set up an interview for me to come to town and I interviewed with the SEC. I'd been putting off the law department at Fannie Mae, so I talked to them the same day I was in town. A few days later, the then-head of the Office of Municipal Securities, Paul Maco, called and made me an offer to come as an attorney fellow.

Now, an attorney fellow is a two-year appointment. It can be extended to a third year, but it's temporary. But I kind of thought, what's the point of having saved so much in your 401(k) if it can't give you a little freedom to take a risk that it won't be the end of the world if this doesn't work? And you'll find another job. You're a well-known bond lawyer with a good reputation, I think, and I just decided to take the risk. Of course, my daughters were furious. They did not want to leave Chicago, but they handled the move pretty well and now they're very grateful that we made the move. But it was tough at the time.

**WT:** So before we move into your SEC career, I'd like to ask you just a couple of more questions about your time in law. First, it so happens that we just finished this past autumn a series of interviews on women in securities regulation. You've already given us a good overview of your situation in trying to work part-time at different firms and how that varied so substantially. I was wondering if you had any more general comments on your experiences.

**MH:** I started as a bond lawyer at Chapman in 1978, in the spring, and I looked young for my age, which wasn't a help as a lawyer, and the clients were positively startled when you would be in a conference room and people would be assembling for a meeting, and I would sit down at the table. They were expecting me to pour coffee.

But Chapman had an amazing reputation at the time, a near monopoly on Illinois municipal finance as bond counsel, and so the clients kind of straightened up and said, "Well, okay, she's Chapman, so I'll play along." And of course at the beginning there was always another attorney involved while I learned.

And then, you know, the documents looked just the same as if they'd been written by a male and the only difference was the signature line had my name, and they would relax. But at the beginning, especially, it was hard. There were often closing dinners at the end of a major transaction, and I always wore high neck blouses because otherwise you can catch your client peering down your blouse while he's had too much to drink at the closing dinner, and you really don't want him to remember that because he might be embarrassed and not want to bring you his next deal so you have to think about that.

It was a strange time, and my daughters are now, well, one's 27 and one's about to turn 30, and they're completely oblivious to any distinction between men and women in the professional world. And that's just how it ought to be, but it's very different from the experience I had.

On the other hand, people were always polite and open to the idea. Certainly Chapman was open to the idea. I mean, some of it was funny. There was one attorney, I was helping him with a single family deal, and when I was meeting with him in his office he would often call me honey or something, and I let it go. I thought he was really old. He was probably in his forties, but he seemed really old at the time. And he had daughters.

I'm doing this transaction for him with a very obstreperous investment banker. I was in a meeting with him and he looked at me, there were just the two of us, and called me honey. I said, "I have no problem with you calling me honey, I know you've got daughters, but if you call me honey once in front of our client, you cut me off at the knees and I have no negotiating position at all anymore, and I will hand you this deal back and I won't do it anymore." And he didn't know how to do that kind of deal at all, so he behaved himself perfectly from then on, at least in public. But that was a pretty amusing situation to be in.

**WT:** And you felt that there were generally opportunities to advance and that sort of thing. Of course, when you went to Altheimer you mentioned the good situation there, flexibility there, and of course you were partner.

**MH:** Right, right. There were still a lot of preconceptions. Most of the partners' wives didn't work. They stayed home and ran all other aspects of their lives together and took care of the kids, and so most of the partners were kind of clueless. The best people to work with, I discovered, were fathers with daughters, because their daughter could do anything she

wanted to in her future and her life, so I guess you can, too, so they would be supportive.  
But it was a funny time.

**WT:** Right. So now being in Chicago, you mentioned that they were some of the first of the VRDOs.

**MH:** Cook County actually was the one, yes. Chicago was the first to do single family mortgage revenue bonds.

**WT:** Did being in Chicago, and its association with things like derivatives on the market there, did that have any difference in your experience? Were they more adventurous or something?

**MH:** No, oh no, not at all. They only took on transactions that were unusual in which there was no risk to the city at all. They were very careful about that, both the city and the county. I can still remember a meeting with an investment banker coming in to pitch a concept to the then comptroller of the county of Cook, and he came in and he was pitching this crazy deal where you were making arbitrage profit and really cutting very close to the line, and I'm getting a headache just thinking about going back and trying to talk to my tax partners about this.

And so we listened to the investment banker, and he left, and the comptroller turned to me and said, "Martha, I don't need to squeeze every dime out of a deal. Just keep me

safe.” So my experience actually with both the city and the county was the opposite of what you would expect. I mean, my experience with officials in general, public officials in general, has been that they’re very conservative about handling other people’s money, because they know this is taxpayer and voter money, and so the voter part gets their attention.

**WT:** I asked you at the beginning about general changes in municipal securities, could you give some general observations? I know that of course towards the end of your time the pay-to-play rules came in, for example. I was curious if those had any impact on your practice, but anything else you might happen to think of would be of interest as well.

**MH:** The pay-to-play rules came in at the end of my career in Chicago, before I went to the SEC, and the investment bankers fought it tooth and nail. And then it was passed and they discovered that they loved it, because it saved them tens of millions of dollars of political contributions because they could just look at the politicians and say, “I’m sorry, but I’m not allowed to give you any money. If I do, I can’t do any work with your government for two years. So I’m sorry, I can’t do that.”

At the same time Chairman Levitt, who was then Chairman of the SEC, was also going to the American Bar Association fighting hard to get a pay-to-play rule essentially for lawyers put in place, as an ethical rule. That was very hard fought and ultimately he lost, which I was kind of sad about because it meant that I still had to go to political fundraisers and I was sick of them. But it was part of what you did if you were a

municipal lawyer, and most of the time the law firm would give some token, \$100 or something to buy a ticket, but you had to go to be seen that you were there and a supporter. I always thought you ought to either have to buy the ticket or attend, but not both. That was one of the really super things when I went to the SEC. I haven't attended a political fundraiser since I joined the SEC, and that's fine.

What else was happening then? Well, there were a number of tax law changes, culminating in the 1986 Tax Act, that had a big impact on municipal bonds, on the volume of industrial development-type bonds that could be issued, on the types of bonds that could be issued for conduits, primarily for conduits, and on arbitrage. The arbitrage rules under the Internal Revenue Code are a nightmare, just a nightmare. And they got worse and worse as investment bankers, smart investment bankers would find loopholes and use them and then IRS would close them, and then they'd find another loophole and it would be used, and then quickly the IRS would close that loophole, and there's nothing wrong with using a loophole if it's not prohibited, you can do it, but it meant a lot of tax law changes through those years. And the volume of conduit bonds, I would say increased enormously during that twentyish years from being a very small part of the market when I started in 1978 to, oh Lord, an enormous portion afterwards, by the end of my practice as a bond lawyer.

Things that also changed, at the beginning of my practice almost all bonds were sold by competitive bid and that switched over completely, to where most are done by negotiation with an underwriter. There are arguments for both sides. I agree there are

some transactions that need to be negotiated, they're complicated. They call them story bonds. If you're going to have to explain the story to the investor, you definitely need to have an underwriting firm involved, but as a plain vanilla GO from a well-known issuer, why not just do it at competitive bid? But times have changed and they generally don't do that anymore. Bonds were never intentionally done on a taxable basis when I started and now about 10 percent of the market are taxable bonds, usually a small part of a larger tax-exempt transaction.

But one huge change was the adoption by the SEC of 15c2-12. It was an Exchange Act rule. The first part of it came out in 1989, and it required an underwriter to obtain and review a disclosure document called an official statement before they could bid for, purchase, or buy the bonds at an offering. Well, the SEC can't regulate municipal issuers at all, zero authority, but you regulate underwriters, underwriting firms, broker-dealers, and by requiring the investment banker to obtain and review an official statement that met certain criteria before he could buy the bonds, well then the issuer had to come up with that document. And so it was a wonderful indirect way to dramatically improve disclosure in the municipal market. I mean, that was a huge change.

And also make them available. The other requirement was that the underwriter had to make them available to potential investors, and quickly, within one business day. Of course, delivery was a little different then. Now that's done by, well, they either just send it as an email attachment, or sometimes it's posted on a central site and there's a new rule

called Access Equals Delivery. They tell you what website to go to and that's where the official statement is, so they don't even send hard copy anymore.

**WT:** Yes, I know the move to electronic disclosure is about a twenty-year process from the original—they called it the MISL System, I think?

**MH:** That's right.

**WT:** Yes, up to EMMA in 2008 finally.

**MH:** Yes. Well, this is going on to the Commission, but when I joined the Commission the second part of 15c2-12 was in place. I think that was 1994 that the Commission adopted it, and that required the underwriter to make sure that the issuer had entered into a contract for the benefit of bond holders in which the issuer agreed that it would send its annual financial statements, and maybe other financial information – kind of an annual update of the statistical information, statistical and accounting information, it was in their official statement – to send that to a central location so that investors could receive that information.

They also had to agree to send a notice about certain material events. They were pretty straightforward, events of taxability. If the bonds became taxable, send a notice in, default, redemptions, a lot of obvious things. And this didn't apply to all municipal

bonds, short-term bonds – bonds of under a million dollars in principal were excluded – but most municipal bonds were covered.

And that system was just incredibly clunky. The SEC had identified a number of nationally recognized municipal securities information repositories, NRMSIRs. Isn't that a horrible acronym? And they changed over time, some came and some went, and issuers were supposed to send to all of them but they often didn't even know who they were anymore. And everybody in the industry knew that this was broken, because you had to go to multiple NRMSIRs to find a document. There were other problems which remained, frankly, such as that the financial statements being filed were so stale when they were released that they weren't very useful. But it changed a lot.

When I came to the Commission, the one thing I wanted to accomplish was to establish a central repository so that there would be one place that an investor could go and know they were getting – looking at all of it and could access all of it. And initially I was told that for the Commission to do that, the way it did for EDGAR and corporate securities, was a non-starter for many reasons, so I tried to dream up other ways to do that.

**WT:** This was when you came in as an attorney fellow?

**MH:** Yes, when I came in as an attorney fellow, but I really got to implement it once I became the chief of the office. And that was one thing I was just determined to do. If I had known it was going to take so darn long, I don't know, because I thought this was a no-

brainer but there were all kinds of roadblocks that came up along the way. I called a meeting of what we called the Muni Council, which was a who's who of the different industry groups coming together for a private meeting to talk about industry issues.

I had done a study of the consistency of filings, or filings at all, with all of the NRMSIRs that existed then. It was a mess. I didn't find anybody who was fully in compliance, although I never actually said that because it was too extreme for them to buy, so we used some other measures that were a little squishier so it didn't sound as bad.

But the issuers at that point had been claiming that there was no problem, the issuers were in compliance, the problem was all with the NRMSIRs. And this was a way to kind of prove that, yes, there really was a problem that needed to be addressed, because their information was not getting to investors and their information wasn't showing up. And investment bankers, before they underwrite a deal, are supposed to take into account whether the issuer is in compliance with their contractual obligations under 15c2-12. The more that we found where they were out of compliance, the more difficult it became, the more tricky it became for investment bankers and irritating for municipal issuers, who then had to bring all of their filings up to date in order to do the next deal.

Support began to come in to do something to cure this problem, and we also got investor representatives, the mutual funds, to come to these meetings and explain to the issuers: "Why are we nagging you for this information? Because we're regulated and we have this regulatory obligation and we have to get this information because of that." And the

issuers had no idea. They thought they were just being nagged for no particular reason by somebody who was just curious, and that they didn't really have a serious need for the information.

**WT:** Well, there's such a variety of issuers, as well.

**MH:** Oh yes, all different kinds, from teeny tiny to enormous. In my career as a bond lawyer, I know I did a deal that was for \$6,000, because the local school district was repairing the roof and ran short – it was a construction overrun – and so I did this little teeny deal, it went to the local bank and it was pretty funny. I was a very young lawyer at that point. And later, the biggest deal I ever did was about a billion dollars, so there are enormous size differences going on in these, and sophistication differences.

But we kind of proved there really was a problem, and a need, and so then the municipal issuers and The Bond Market Association, everybody else who was involved in the Muni Council, which is the name that got affixed to this group of organizations that I just called together for a meeting. We started to try and figure out how to do this, and, of course, the obvious thing is to do it electronically. And at that point, we're talking 2001, something like that, a lot of issuers didn't have computers, they didn't have Internet access. The idea that they were going to do something electronically – and I'm talking to all of the senior people – well, they had not a clue how to use a computer at this point, no need for it. I can't imagine how you would send a document.

And, eventually, someone brought up, and we were able to convince the issuers, that actually a fax was an electronic document and that it could be received in an electronic form, just not printed out, that that actually is what was happening, and then it just printed. And that kind of calmed them down, but we still struggled, and a large part of the problem, of course, was money to set up a central location.

Finally, the Municipal Advisory Council of Texas stepped up and said, "Listen, we can't be a repository of information for the whole country. We're a Texas entity." They were a state-level, so to speak, NRMSIR, because there were both national and state repositories. "And we only want to be a repository for Texas. But if people send us documents electronically, we can make sure that they're electronically redelivered to every NRMSIR in every state in the appropriate state information repository. We'll redirect them and we'll make sure, and we'll send out reminder notices to the issuers when another filing is due." And so that was great. That was a big step forward.

**WT:** This is the concept of the Central Post Office?

**MH:** That was the Central Post Office. You've been doing research.

**WT:** Oh yes, we've been working on this for a little while now.

**MH:** Yes, and so that was where the Central Post Office came from as an intermediate step. It certainly wasn't the ultimate cure, but it was a big step in the right direction.

**WT:** It was always viewed as being an interim step?

**MH:** Yes. Long before that, actually, I believe that the MSRB – back in around '94 when 15c2-12 and the NRMSIRs were first established – the MSRB offered to be essentially a NRMSIR, a single NRMSIR, or to be a NRMSIR that redirected to all the information dissemination agencies. But the issuers really didn't trust or like, apparently, the then-executive director of the MSRB and that was a big sticking point for them. Their fear of dealing with the SEC and dealing with the MSRB – that deep in our hearts we secretly wanted to regulate them, and we were just going to pounce unexpectedly and regulate them – was truly paranoid. And that's still there, they're still convinced the SEC really wants to regulate them. And of course they do, but that's irrelevant because it's up to Congress, and Congress is not interested.

And so after that we got the Central Post Office going, and it seemed to be going well, and at least all of the NRMSIRs got the documents, and then we could do some kind of quality control on the NRMSIRs. So you got the document: where is it? (Laughter) We know you've got it. Cough it up. Show it to us, like we're an investor coming in and we want these documents. How long will it take you to pull them and get them to us? It varied widely.

But the ultimate goal was always to have what we have now, which is EMMA, run by somebody, and the sticking point was money. And, because the MSRB initially wasn't a

viable option because the issuers didn't like them, we were kind of stuck. We went out for bids at one point, just to get indications of interest and approximations of what people would charge to do this, and it was going to run up to two million a year, and there was no two million a year coming from anywhere that we could use for that. Although I think that there were some organizations that would've been willing to kick in money, it was never going to come close enough to what it would really cost to set it up.

And then the longtime executive director of the MSRB retired and they got a new executive director, Lynette Hotchkiss Kelly, and she had the confidence of people in the issuer groups, because she had attended all of those Muni Council meetings, although she was the representative of The Bond Market Association, which is now SIFMA. And so the issuers' perspective on this really changed radically, and Lynette really wanted to do it and convinced her board that this was the right thing to do.

And so finally, finally, we were able to, thanks to the MSRB, coordinate and get the real central repository that was always needed set up and going. And I've talked to some of the attorneys and others who were involved in that 1994 version of 15c2-12, and they kind of were pushed to do this because they had to try the private sector solution and they never thought it was going to last more than a year or two, because it obviously couldn't work. But they weren't around anymore, and nobody was looking at this problem.

And so it wasn't until 2008 that we corrected the 1994 problem, but it finally got corrected. Elisse Walter was deeply involved in the 1994 adopting release, and there was

also an interpretive release at the same time, and she was amazed that it took so long because she really thought that this would turn into a single repository very shortly.

**WT:** They already had EDGAR at that point.

**MH:** They had EDGAR, but EDGAR is an SEC function and there were legal restrictions on the SEC accepting filings from muni issuers at all. It's called the Tower Amendment, and it's very restrictive on the SEC and MSRB. In a sense, it prohibits the SEC and MSRB from doing things that they don't have the authority to do to begin with, but the language about not requiring any filings kind of had a life of its own and made the SEC much more concerned about it.

But we'd also have to get a federal appropriation of money to do it, and getting more money is really hard, and the SEC had enormous other needs, especially IT, at that point. And so, when the MSRB offered to do it and pay for it, it was fantastic. And it passes through essentially to the broker-dealers, who the issuers claim pass that cost along to them, and they may, or it may become part of their overhead and cost of doing business. Who knows? I don't care, because we got this wonderful thing called EMMA out of it, and the MSRB has done a fantastic job expanding it and improving it. I'm just so happy every time I look at it because there's something new all the time.

**WT:** Let me ask you in general about the Office of Municipal Securities. So, you came there originally as an attorney fellow, and then you were there for two years before you became the director of the office?

**MH:** A year and a half. When Chairman Levitt left the Commission, which was shortly after the election of George Bush for his first term, Paul Maco, who was the head of the office, the director, decided he was going to go back to private practice because Levitt had been his mentor. And then the internal debate was, well, what to do with the office? Being in the position of the former Chairman's pet office, and being very tiny and looking kind of funny on the organizational chart –

**WT:** It was about six people, right, at its top?

**MH:** Six or eight, yes. It didn't make a lot of sense on the organizational chart, and it was sort of hanging out there like low-hanging fruit. And so Levitt, and I believe Annette Nazareth in particular, decided the place to put it was in the Division of Market Regulation, which made sense, in a sense, to protect it from being so noticeable and being picked off.

Unfortunately, after about a year with the Division of Market Regulation, now Trading and Markets, they reduced the staff to about three, which was devastating. But I have to say, I told Annette that I wanted to be angry and scream at her, but I couldn't because under the same circumstances I might have made the same decision, because the staffing

needs of the division itself were tremendous and just could not get any slots at that point. There was a hiring freeze that went on and on, so we wound up taking the bullet.

It was kind of a blessing that, if I was going to have my staff cut back it was cut back so hard, because if they'd cut back one or two, we might have still tried to do everything we'd originally done and killed ourselves. But instead this meant that I sat down and did a memo, which I subsequently turned in essentially every year, stating, well, these are the things we can do, and these are the things we can no longer do because we don't have sufficient staff. But if they just reduced us a little we would have tried to do it all, and it would've been ungodly.

**WT:** Aside from an electronic disclosure, what were the initial priorities at that time?

**MH:** Honestly, I don't remember anymore. There was so much going on. We worked with the Division of Enforcement a lot, and it was kind of difficult because someone in one office would do a muni enforcement case, and then generally that knowledge would be wasted because they'd go on and do nothing but other kinds of cases for years. And then somebody in another office would have a muni case, and we'd go and help and explain to them, what's a municipal security. Sometimes we would go and we would review some of the disclosures that they got from the parties we were considering suing, and sometimes we went and sat in when enforcement took testimony. We were kind of there to stop them from trying to pull the wool over the eyes of the enforcement guys by giving answers that were ridiculous but they didn't even know it.

That was very valuable, actually. I still remember sitting at one meeting and an answer came back that I thought was ludicrous, and so I looked up at the attorney representing the other side and said, “Well, how is this really different from yield burning?” And of course, it really wasn’t. (Laughter) And there was an “oh shit” moment on the other side, because they suddenly realized they had somebody who knew this industry and they couldn’t just give these nonsense answers and get away with it. But we did a lot more than with enforcement. Subsequently, while we were in the Division of Market Regulation, we took over doing all of the MSRB rule filings, because they’re divvied up in different groups in the division, and that was wonderful because the MSRB rules were very important. We had nothing to say about them at all when we were a separate office. There was kind of an us-and-them attitude I got, from when we were a separate office and we were trying to comment on one to the Division of Market Regulation.

**WT:** Who’s the “them,” Market Reg?

**MH:** No, they were the “us” and we were the “them,” and so they didn’t really want to talk to us or take our comments, but once we were in the division and we were doing them, we became “us” and everything changed and we took over doing those. And that was really, really good, because we were able to raise issues that otherwise just weren’t raised.

**WT:** So, let me ask you a little more about the enforcement side of things. Of course, you mentioned when we were talking about when you were in law practice, of course that’s

highly exceptional, but when you're in the SEC you see all these cases under the fraud provisions. So you mentioned yield burning, of course, which I know was big in the 1990s. I don't know how much it maintained or declined after that, but I'd be interested in the array of things that one finds.

**MH:** The yield burning actions were winding down when I got there in 1999, and another attorney in the office, Senior Special Counsel Mary Simpkins, was handling all the yield burning cases, which made sense because her particular expertise was in the muni bond tax area, which was invaluable.

And so that was really winding down. The first case against the City of Miami for their fraudulent disclosures was coming up and that was being debated internally, as they always are ad nauseam before an action is brought. There was considerable misunderstanding among other parts of the Commission about municipal financial statements, and there was one attorney who insisted that this couldn't be fraud because they were required by law to have balanced financial statements, a balanced budget. It's like, yes, but not by fooling with the numbers and claiming that you're going to get a billion dollars in federal grants this year which you know you won't get until the following year, and other things. So that took a lot of time, working with others on the Commission to educate them about how the muni world, the governmental world operated, and then they could see that this was clearly wrong.

Later on, in enforcement, they started a special unit to do municipal bonds, municipal finance, and public pension investigations. Mark Zehner had actually been an attorney fellow in the Office of Municipal Securities, and he left to go to the Philadelphia enforcement office and I took his place as an attorney fellow. But he and I became very close as we were talking about immunity cases going on, and then he became the deputy, and effectively the most active in investigating and managing investigations in that office. And that was terrific because that was one of the things we've had to cut back on a lot when we were downsized, and knowing that Mark was there and could translate for enforcement mattered a lot.

**WT:** I want, in the time we have left to be sure and just cover a couple of topics. One of them is auction rate securities. I know that there had been some discussion of those some years before the market for them froze. I wonder if you could take us through that a little bit.

**MH:** Yes. Initially, there were two rounds of cases that involved auction rate securities. The first one, I remember sitting in my office and having a guy from enforcement stick his head in the door and say, "Have you ever heard of auction rate securities? I think some of them might be munis." And I said, "Yes, why?" And he came in and he said, "Please teach me about them, because I think we've got a case."

So I taught a lot of people in enforcement about, what is an auction rate security and how do they work, but I wasn't actively involved in taking testimony or reviewing exhibits, or anything like that. I interfaced with the guys in enforcement who are actually running the

investigation and would look at the summation materials that they had on it. And I was involved in most enforcement cases in looking at what were the charges that were going to be brought and what was appropriate, what was normal and what was abnormal in the muni world, because sometimes it's the complete opposite of what you would expect, or what would be true in the corporate world.

And this is horrible, but I'm not even sure I remember what that first round of cases was about, but it was disclosure-driven, and it changed the disclosures a lot, so that the disclosures made the risk of the auctions more clear to anybody who read through the document, but it's pretty complicated.

And then the second round, a few years later, of auction rate securities cases was when it turned out that the broker-dealers were selling auction rate securities to their customers, retail and institutional, as if they were the same as variable rate demand obligations. And of course VRDOs are highly liquid because they're secured by a bank letter of credit for liquidity or another liquidity feature, but they've got pretty much guaranteed liquidity, so an investor who wants out can pretty much get out on seven days' notice or less.

But auction rate securities do not have a liquidity feature at all. They go to these Dutch auctions, which I never thought much of at all. I never thought that these were real auctions. I thought Sam would pick up the phone and call his friend Joe and Tom and say, "Hey, you know, where do you think interest rates are going? Who's buying?" And

that's kind of how a lot of it got set, in terms of what was the anticipated price for these particular auction rate securities.

And it was the first case, they were putting in bids and holding up the market, and making it look like there was more bidding and more of an auction than there really was, because sometimes the broker-dealers would buy and hold the securities out of the auction and play them out into the market over the next few days because it was in their interest to keep this auction system going, because they were underwriting tons of these and making a lot of money off of them.

But the second time, it was selling to investors basically as the same thing as a VRDO, but it's got about an eighth of a percent more, or some small amount better yield than a VRDO, and of course, that was because of the letter of credit. One had liquidity, one had an auction, but they weren't telling their investors about this difference. They were selling them as if they were practically the same thing. And that's what the second investigation focused on, plain vanilla broker-dealer misrepresentations to customers. And those were big settlements. Actually, both rounds on auction rate securities were big settlements.

**WT:** Another thing I wanted to ask about, in my research it's come up that Chairman Cox was looking at a fairly ambitious agenda around 2007, I think something like looking into repealing the Tower Amendment. It seems a little fantastical, but maybe you have a little insight on that?

**MH:** He got interested in municipals I think because he had someone on his staff who had an interest in them.

**WT:** I feel like once upon a time he had represented Orange County, when they had their problems.

**MH:** Yes, he's from Orange County. I don't know if he represented it, but he was from Orange County and so he really did have an interest in this, as did Chairman Levitt, individually, he really cared about the muni market. Chairman Cox decided that he wanted to make some proposals to Congress, and so a bunch of staff got together and wrote a proposal letter and attached memo about what the issues were and how they might be dealt with and sent it off to Congress to the leadership, and we were met by silence, just honestly kind of what I expected. And I never thought that the Tower Amendment was such a big problem. It was the lack of authority to begin with that really is the issue with the regulation of municipal securities. And the Dodd-Frank Act –

**WT:** Which is the last thing I wanted to switch over to.

**MH:** One of the things that Chairman Cox recommended, I think, was the regulation of municipal financial advisors. Municipal financial advisors usually work with either the issuer or sometimes the conduit borrower in a municipal bond deal to negotiate the financial side on behalf of the issuer with the underwriter. But it turned out that, because

they weren't regulated, many, not all, financial advisor firms were doing pay-to-play, some of them were completely unqualified, some of them were taking kickbacks to make sure that someone's bid to provide an investment, or especially a swap, got looked at preferentially. I mean, there were just problems that had come out of having municipal financial advisors unregulated. I wound up testifying before Congress about that and about credit rating agencies. That was not fun. That was a pretty high stress moment for me, and I decided that the most important thing was not to let them see any fear in my eyes. Just act like this was mundane, which seemed to work.

But it was about the issue of financial advisors and whether they ought to be regulated, and sure enough, that actually took root when Dodd-Frank came around. I had drafted a provision as a technical amendment, technical advice to Congress, and I had drafted a version which was attached to whatever the House bill was that got passed to begin with. And then the Senate wrote a completely different bill and the Senate Banking Committee staff got me involved looking at their drafts and commenting on the portion of the act that dealt with municipal securities issues, and that was a very high pressure environment, too.

I think I got a little too close to seeing the sausage being made, to be honest. I remember one time telling them that they had dropped the definition of municipal derivative, I think, completely dropped it. It had been there in the last draft and I said, you've got a typo. It's dropped out. They said, "Oh no, we took it out." I said, "What? It's important. It's one of the critical definitions in this section."

And their response was, “You know, there’s a big fight about swaps going on in other parts of this bill. We just don’t want to let that slop over here, and you can figure out what to do with this later.” I said, “No, we’re supposed to carry out the law that you passed, so you need to tell us what that is. There’s no definition.” It was horrible.

And then they required the registration of municipal advisors to occur about sixty days after the adoption of the bill. It was the first thing that had to be done. I kept saying, “Well, if we have to set up a registration system that means fooling around with IT. We can’t get it done by October first.” “Oh, you can take care of it,” you know. We argued a lot about that one because it was crazy. But in fact, we came up with a temporary registration system in sixty days, and that was very messy and exhausting. And that’s ultimately why I left the SEC. I just burned out. I was just completely exhausted, and I had a doctor and my husband both begging me to please consider retiring because I was just so worn out. And so, after thinking about it for a while –

**WT:** Did you still have the same size staff of three people, you said?

**MH:** No, it had gone up. I’d added two attorney fellows. And when, we were doing all this regulatory work, because we did two amendments to 15c2-12 – the second one was kind of cleanup amendment of the material events, a few other things that we didn’t want to include with the first round which was primarily focused on EMMA, because everybody

was supporting EMMA and we didn't want to bog it down in the details of the others, so we did two amendments instead of one.

I was able to draw on other staff from the division heavily in both of those instances. And, of course, then comments came in on those, and we had also put out a proposing release for the regulation of municipal advisors from Dodd-Frank and we could never have pulled that off without having a lot of involvement from others in Market Reg who were really experts at writing that kind of proposing release, especially the back half. It's all this economic justification and Paperwork Reduction Act. I know nothing about that stuff. I don't ever want to know about that, but it takes literally half of a release, just all that kind of stuff. So I was very, very grateful that I could draw on them, and I did for other things, too, when I needed them, but it wasn't the same as having my own staff available. But the issuance of that proposing release brought in hundreds and hundreds of comment letters and took a lot of negotiation.

And then, of course, there are young attorneys in the division who are keeping these big spreadsheets of comments by topic of what is the comment about, and then doing spreadsheets of exactly who sent it in and what they said, so that we could respond appropriately to essentially all of them. Because the D.C. Circuit Court of Appeals is so happy to strike down SEC rules if we have missed one comment or something, or they don't think we considered it enough, the size of proposing releases and adopting releases has just exploded.

I left after the adopting release had gone out and we were getting comments back and trying to decide what to do. And, at the same time, Commissioner Walters was very interested in municipal securities and we started having some field hearings, and we started writing what became the report on municipal securities that was issued in 2012 by the Commission.

And so there was just a lot going on all at once and just not enough staff to do it. Dodd-Frank had a lot of swaps, changes in swaps where we had to coordinate with the CFTC and the SEC rules that would apply, and because of the heavy use of derivatives in the muni market, there was a lot of overlapping with that. The swaps and municipal derivatives are described in Dodd-Frank in the municipal component of the bill, and so some swap dealers became municipal advisors, and that meant we had to coordinate with the CFTC about that, too, and it was just overwhelming.

I just really burned out from trying to be in fifteen places at once and never having the time to really be prepared before I walked into a meeting, because I didn't have enough staff to take their time away from other critical stuff they were doing to pull things together so that I could have a memo to walk into a meeting and really be prepared. And winging it just takes a lot out of me.

And so, that was ultimately why I retired. I feel like I was very, very lucky to have been there and to have accomplished what got accomplished while I was there. I think that public service is addictive, especially coming in at a senior level like I did, where you can

make a difference. You can really, truly make a difference, and that's addictive. That is really an addictive thing I think about being at the SEC, that you can really make a difference for investors and that's very satisfying.

**WT:** And since then you've been in Indiana?

**MH:** Yes. Actually, we were in Arlington for one year after I retired, and I was lazy, read a lot of books, kind of chilled out, and my husband had a job that was with a government contractor and the project he was working on had another year to go, so we sold our house in McLean, Virginia and we moved into an apartment in Arlington and stayed there for a year. And then, when his contract was done pretty much, we moved to Bloomington.

Bloomington's a wonderful college town. I don't know, ninety to a hundred thousand people, but half of them are students, and so it's like a COLLEGE, all caps, town. And it's got one of the best music schools in the country, so there is so much activity going on. It's funny, my husband and I talked to each other after we'd been there about six months and said, "I think we've seen more Indie films in the last six months than we've seen in the prior ten years," because there are all these things going on. We've got theater tickets and opera tickets and ballet tickets and concerts all the time, concerts and lectures going on, and so I really love Bloomington.

Dave grew up there from the time he was about ten until he graduated from high school, but I'm the one that suggested that that be the college town we pick. And he has a few relatives left there, which is nice because it's much easier to move into a town where you know a few people, if only to call and say, I need a plumber, who do I call, (laughter), little things. But they're wonderful. It's wonderful to have the family around.

I wrote the law school, because I had been an adjunct professor for a year at Georgetown, taught with another attorney, Joe Kensinger, tax and securities law of municipal finance, and I'd really enjoyed that. I'd enjoyed working with the kids, young people, and so when I got to Indiana I thought well, I'd like to do that again. So I wrote to the dean of the law school and said, "Here's who I am, I just moved here, and I'd be happy to help out in any capacity you'd like. I've taught before. I'd be happy to come and be a guest speaker at a class, whatever."

And they called me almost immediately, and we met and they asked me to be an adjunct and teach this class in municipal finance that I'm teaching now. I'm really enjoying it, although it's an unbelievable amount of work to start up a brand new class from scratch. And it's a writing class, and I have twenty students and over the course of the year they have to write at least twenty to thirty pages each, although on different assignments. They have to write six out of eight of the assignments I'm giving, but that means I'm looking at 400 to 600 pages.

I read everything twice when I'm grading it to make sure, after I read them all once and then kind of have tentative grading, and then I go back and read them again when I kind of see – sometimes there are similarities in some concept they didn't get, which I will then cover at the next class. But I'm not going to grade them down if practically everyone missed this concept. But that's really fun. I've enjoyed it a lot.

My husband and I have enjoyed traveling a lot, too. Last spring, we got an email from Travel Zoo, I don't know if you know them, and it was really I think sent to their Indiana subscribers and it said: News flash, this company that makes RVs in northern Indiana is looking for people to drive them, to put them into service, and take your pick: Las Vegas or Denver or L.A. I don't even remember what the fourth place was. And this came in on the Friday – it was the Friday before Memorial Day weekend.

Dave looked at me and said, "What do you think?" And I said, "Well, I've never seen the Grand Canyon," and this came along with like \$750 to help cover gas and some other money, which of course was inadequate, but we did it. We took a week and we drove from Bloomington out to the Grand Canyon, and then to Las Vegas and dropped it off and flew back. And that was a really fun adventure, and the Grand Canyon was stunning, and we made other stops along the way, too.

And then in the summer, in July and August, we took a six to seven week driving vacation, we drove via a million national parks from here out to Seattle where there's a family home, and we stayed there for two weeks kind of chilling out, and then we drove

back the northerly route through different national parks and monuments along the way, and that was a blast.

And while we were on the road, the second part, we were talking about the new Affordable Care Act and how awful it was that Indiana had not agreed to take on the Medicaid expansion, which was incomprehensible to us, but they also were actually doing what they could to hinder people finding out about or signing up for the Affordable Care Act. And we thought that was practically criminal, that there be insurance available and they try to deny it to people who want to buy it by not letting them know it exists, and so we decided that we could do something about that. And we started a little organization called the Affordable Care Act Volunteers of Monroe County, which now has about fifty or sixty volunteers, and we do all different kinds of things to publicize the availability of the Affordable Care Act insurance and how to get it.

We don't sit down and sign people up for it, because in order to do that in Indiana you have to become a certified Indiana navigator, which involves about \$500 worth of costs all in, training, continuing education, all kinds of stuff that's intended to discourage people from helping, actually sitting down with someone helping them sign up.

So our goal is to help people learn how to do it themselves, and we've had the insurance companies come in and make presentations to groups that are open to the public, and do health care community fairs where the public comes in and we explain, well, health insurance, period, to some of them, because if you don't understand what's a deductible

and what's a co-pay and what's an out-of-pocket cap, how can you begin to talk about the Affordable Care Act and what it offers? So we do that, and then we also have a group of volunteers that do training on the Affordable Care Act and help people understand how to get it.

And that's been very rewarding. It's been exhausting. But I kind of backed out of that once, about a month before my class, because I simply couldn't do it anymore.

(Laughter) There just wasn't enough of me. And we're looking forward to April 1st when – this open season ends March 31st so we'll be able to catch our breaths. But we feel really good about doing it. It's been fun.

**WT:** All right. Well that I suppose brings us up to the present, so if you have anything else to add, please do, but otherwise, thank you very much.

**MH:** You're welcome. Since I left – it was in the Dodd-Frank Act but it wasn't implemented for about two years afterwards – Dodd-Frank required the muni office to go back on a stand-alone basis, and I don't know if they're still doing the MSRB rulemakings. It would be very important for them to do it, but it would be very hard to get Trading and Markets to give it up. I'm hoping they worked out some kind of compromise where they're both involved.

But I think, on the whole, putting the muni office back as an independent entity is the right thing to do, because the one thing I found that was really difficult to get things done

was that, because I was in a division, an associate director, I really couldn't access the chairman. And sometimes I had proposals, like EMMA or the Central Post Office, and it was almost impossible to get to the Chairman, even though I thought they were pretty much no-brainers, because they weren't as important as a lot of other stuff that the division was trying to get in front of the Chairman right then. And they figured they had this much bandwidth, you know, and they were putting other things in. And so I think it's really good that now the office can reach the Chairman directly and explain the muni side of a lot of these issues, because they're really important.

**WT:** Now more than ever, yes.

**MH:** Yes, that's right. I always said that when the baby boomers retired the muni bond industry was going to boom, and it seems to be as people are investing more and more in bonds.

**WT:** Okay.

**MH:** That's it.

**WT:** Very good. Thank you very much, once again.

**MH:** Sure, thank you.

[End]