

President's Speech
Richard J. Moore
Orrick, Herrington & Sutcliffe LLP
September 11, 2019
Chicago, Illinois

Thank you, Dee.

Friends and Colleagues, I am deeply honored to become NABL's 41st President. I would like to thank all of you for putting your trust in me to lead this fine organization as it celebrates 40 years of leadership in the industry. I would particularly like to thank all 3 or 4 of you that will be listening through the entire General Session and not looking at your phones.

Dee, thank you for your stewardship of this organization over the past 12 months. You have taken great care both to preserve NABL's status in the industry and to affect the evolution needed in order for NABL to keep up with our changing world. Following you will be a tall task in more ways than one. Similarly, I would like to thank each of NABL's Past Presidents that I had the privilege of serving under while on the NABL Board: Kristin Franceschi, Allen Robertson, Tony Martini, Ken Artin, Cliff Gerber, and Sandy MacLennan. Each of you made a positive imprint on NABL in your own way and provided excellent firsthand examples as to how to lead this fine organization.

I would also like to thank our two departing Board members, Sandy MacLennan and Perry Israel. As President, Sandy caused the Board to develop a strategic vision for NABL going forward. This involved a deep dive into what NABL is as an organization, its goals going forward, and how best to accomplish those goals. For this, Sandy, we thank you and at least some of us can now forgive you for the loss of advance refundings.

Perry Israel has to be the most recognizable member of NABL. Part of it is his Hawaiian shirts and the other part might be that he is now completing a record third term as a Board member of NABL. Perry, you will be missed but you will probably be back.

I would also like to take a moment to recognize my partners at Orrick, Herrington & Sutcliffe. While my volunteer time for NABL gradually increased from dozens of hours per year a decade ago to some ridiculous amount now, these folks have generously supported me by stepping in to make sure that firm clients are never the ones that suffer while I am out “NABLING”.

Last but certainly not least, I would like to thank NABL’s dedicated staff. While I will not list all of them by name right now, I want to give special thanks to:

Linda Wyman – our Chief Operating Officer who makes sure that all the NABL trains run on time and all the number add up.

Jessica Giroux – our Director of Governmental Affairs, who personally promises to restore advance refunding bonds and protect NABL’s members from any future attacks on private activity bonds.

Susan Zelner, our Meetings and Sponsorship Director, who coordinate everything that you will see at this meeting and all of NABL’s other conferences.

Turning to this year, I have three relatively simple goals:

1. Protect the Tower Amendment;
2. Protect the tax-exemption of municipal bonds in general and in all of its

various forms; and

3. Whether in a small or a big way, leave NABL as a better organization a year from now than it is today.

There is a famous saying that “Life is what happens when you are busy making other plans.” That saying holds true for NABL Presidencies as well. I have witnessed prior Presidents outline their NABL agenda for the coming year only to find their Presidential term dominated by unexpected events such as MDCD and the Tax Cuts and Jobs Act. To add to the inherent uncertainty of any President’s term, recessionary storm clouds are gathering. To state the obvious, there is no comment paper that NABL can prepare that will meaningfully (or unmeaningfully) impact the global economy. Nor is there certainty that an economic downturn will occur. But, if it does, economic downturns tend to bring volatility and unexpected events to our market. I can only promise that NABL will be agile and responsive to such challenges should they occur.

With that disclaimer, here is what I foresee for the coming year:

Education – The core function of NABL has always been and continues to be its educational offerings. In 2018, we decided to rebrand and expand NABL’s educational offerings. The rebranding has been completed. The expansion commenced in 2019 and will continue in the coming year. Highlights of this expansion include:

NABL U 201 Series – This year, NABL released its first four offerings from its 201 series. These are webinars hosted by leading practitioners that provide a roadmap for dealing with issues encountered by practitioners. We intend to release at least four more in the coming year and, eventually, build up a comprehensive library that covers most topics encountered by our members.

Online Communities – Earlier this year, NABL introduced NABL Connect. NABL Connect consists of 7 online communities, which members can join for the purpose of discussing issues of the day with other NABL members. At present, the established communities are: General Membership, Governmental Affairs, Issuer’s Counsel, Paralegals, Securities Law, Solo Practitioners/Small Firm, and Young Attorneys/New to Bond Law. Please be sure to join any of these communities if they are of interest to you and don’t be shy about suggesting any additional communities that you would like to see added.

Recording Sessions – We recorded ten sessions at Essentials and are recording ten sessions here at the Workshop. These recordings will be added to the educational offerings available on our website.

The Governmental Affairs Committee will be active in the coming year. One of the primary lessons from the Tax Cuts and Jobs Act was to maintain a continuous active presence amongst the key committees on the Hill. Once a comprehensive tax bill is moving it can be very difficult to get a seat at the table. And, once out of committee, it is unlikely that any member of Congress will vote for or against a comprehensive tax bill based on the fate of tax-exempt bonds within that bill.

Based in part on those lessons, NABL is committed to maintain an ongoing presence on Capitol Hill. To some extent, this has always been done at the NABL Board level, but Board visits to the Hill have increased significantly. More importantly, the Governmental Affairs Committee was formed and is led by Elizabeth Walker. In large part, the purpose of The Governmental Affairs Committee is to facilitate and

coordinate the involvement of all interested NABL members in NABL's efforts to engage folks on Capitol Hill.

Our Securities Law Committee, under the leadership of Brad Patterson, promises to have a very busy year ahead. In 1994, the Commission amended Rule 15c2-12 to improve disclosure practices in the secondary markets. At the time the SEC proposed the 1994 amendments, it also published an interpretive release stating its views respecting disclosure obligations of participants, including issuers, in the municipal securities markets for both primary market offerings and secondary market continuing disclosure.

It is now twenty-five years later and the 1994 Interpretive Release is still one of the most comprehensive documents the SEC has to guide market participants on disclosure. There have been discussions for almost 10 years about how to update the Release – in a manner that could recognize the significant improvements in municipal securities disclosure since the 1994 Interpretive Release and identify areas where the Commission thinks that improvement is still needed, including, among other matters, financial statements and financial information, terms and risks of securities, and conflicts of interest and other relationships and practices. In its 2012 Report on the Municipal Securities Market, the Commission in fact noted that updating the Interpretive Release would allow the Commission to provide further guidance through a means other than enforcement actions.

NABL worked with the Commission in both 2010 and 2011 to discuss specific topics where the market could use additional guidance and updates, and looks forward

to renewing that discussion this coming year to achieve the goal of getting this guidance into the hands of the marketplace!

With respect to more recent amendments to Rule 15c2-12, - namely the ones which became effective earlier this year, the Securities committee is continuing to work on practical considerations for members relating to the implementation thereof, as well as a supplement to NABL's Crafting Disclosure Policies to address those amendments to Rule 15c2-12 and to include social media procedures. The committee is also working on a project related to interpreting Continuing Disclosure Undertakings when there are changes in the Issuer or obligated person's line of business. Additionally, the committee is drafting a white paper on Underwriter due diligence in competitive and negotiated sales.

Our General Law and Practice Committee, under the leadership of Dave Fernandez, is currently focused on projects relating to the constitutional basis for tax-exempt municipal financing, a white paper on the nature of the lien in the context of municipal bonds, and an update of the Model Bond Opinion Report. One of the goals of the NABL Board is to expand the volume of scholarly articles that can be cited as authority in the municipal bond area, and many of these articles will be coming out of the General Law and Practice Committee.

Last but certainly not least, the Tax Law Committee will once again be led by Johnny Hutchinson. The reality is that most of the activity on the tax side these days is legislative. Accordingly, the Tax Law Committee and the Governmental Affairs Committee often work closely together, with the Tax Law Committee drafting legislative language and the Governmental Affairs Committee working with sympathetic

Congressional staff to seek opportunities to introduce such proposed legislation.

Current or pending legislative proposals that the Tax Law Committee and Governmental Affairs Committee are jointly focused on include:

- A reinstatement of advance refundings;
- A reinstatement of a build America bond type instrument, with inoculation from sequestration;
- An increase in the bank qualified bond limitation that would:
 - Increase the limit to \$30M;
 - Index the limit to inflation; and
 - In the case of conduit bonds, identify the limit with the conduit borrower.

Other active tax projects include: (a) a request to reduce the User Fee on private letter ruling requests; (b) a request for confirmation that the “floating equity” approach can be applied for purposes of Section 142 of the Code; and (c) multiple projects regarding pending reissuance regulations, one of which has a particular focus on Cinderella bonds.

One thing that all NABL’s committees have in common is a reliance on members that volunteer. I want to thank all of the volunteers for all of the hours of drafting, analyzing and proofing work product on the many projects undertaken last year and in prior years. I also ask for continued support from those individuals for the upcoming year. You can rest after that, on President-Elect Guarnaccia’s time.

I also want to challenge members that have not yet raised their hands to volunteer and serve. The projects are going to keep coming. A generational shift is

occurring in the industry and it is no longer reasonable to expect each project to involve multiple members that were practicing during the Tax Reform Act of 1986. Whether we are ready or not, the baton is being passed. It is our duty not just to grab it, but to secure it and run like hell with it. As a benefit, you will find that active participation in NABL projects will not only hone your skills as a lawyer, but will provide you with a network of friends and contacts throughout the country that will last for your entire career. Each of the committees referenced previously has a meeting or a bonus session tomorrow afternoon. Show up and find out how you might get involved.

Believe it or not, being elected President of NABL was not a childhood dream of mine. Both my childhood self and my current self would much prefer being a middle linebacker, center fielder, or point guard. But I have grown to love being a section 103 attorney and to love being involved with NABL. I look forward to serving you for the coming year. Please don't hesitate to contact me directly to provide feedback or, even better, find an opportunity to volunteer.

Thank you again for giving me this opportunity to serve as your 41st President.