

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63451 / December 7, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14153

In the Matter of

BANC OF AMERICA
SECURITIES LLC, now known as
Merrill Lynch, Pierce, Fenner & Smith
Incorporated, successor by merger,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 15(b) AND 21C
OF THE SECURITIES EXCHANGE ACT OF
1934, MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Banc of America Securities LLC, now known as Merrill Lynch, Pierce, Fenner & Smith Incorporated, successor by merger (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

Summary

1. This matter involves Respondent's role in certain improper bidding practices that occurred, from at least 1998 through 2002 (the "relevant time period"), involving the temporary investment of proceeds of tax-exempt municipal securities in reinvestment products, such as guaranteed investment contracts ("GICs"), repurchase agreements ("Repos"), and forward purchase agreements ("FPAs"). As described below, these practices affected the prices of the reinvestment products and jeopardized the tax-exempt status of the underlying municipal securities.

Respondent

2. **Banc of America Securities LLC**, now known as Merrill Lynch, Pierce, Fenner & Smith Incorporated, successor by merger ("Respondent"), was a Delaware limited liability corporation with its principal place of business in New York, New York. During the relevant period, Respondent was the investment banking subsidiary of the public corporation, Bank of America Corporation ("BAC"), a financial holding company organized and existing under the laws of the State of Delaware with its principal place of business in Charlotte, North Carolina.¹ Respondent was registered with the Commission as a broker-dealer pursuant to Section 15(b) of the Exchange Act and as an investment adviser pursuant to Section 203(c) of the Investment Advisers Act of 1940. Respondent was an affiliate of Bank of America, N.A. ("BoFA"), a federally-chartered bank and a provider of municipal reinvestment instruments. In January 2007, the Antitrust Division of the Department of Justice ("DOJ") conditionally granted BAC amnesty from criminal prosecution because, among other things, it voluntarily self-reported possible anticompetitive bidding practices involving municipal reinvestment products to DOJ before DOJ had begun an investigation into the matter and because of its continuing cooperation.

Background

3. State and local governmental entities in the United States from time to time issue tax-exempt bonds and notes, the proceeds of which are temporarily invested pending their use for the original purpose of the offering. A significant portion (over \$100 billion a year) of such proceeds is invested in financial instruments tailored to meet specific collateral and spend-down needs. Under the relevant IRS regulations, proceeds of tax-exempt municipal securities must generally be invested at fair market value. The most common way of establishing fair market value is through a competitive bidding process, which generally occurs contemporaneously with

¹ On November 1, 2010, Banc of America Securities LLC was merged into Merrill Lynch, Pierce, Fenner & Smith Incorporated, an indirect wholly-owned subsidiary of BAC that is registered with the Commission as a broker-dealer.

the offer and sale of the municipal securities. Moreover, compliance with the IRS's detailed regulations concerning the competitive bidding process for certain types of investments of bond proceeds creates a conclusive safe harbor for establishing the fair market value of the reinvestment instruments. These detailed regulations require the issuer to make a bona fide solicitation for the purchase of the reinvestment instruments. A bona fide solicitation requires, among other things, that the issuer:

a. Forward in a timely manner written bid specifications containing all material terms of the bid to potential providers;

b. Include in the bid specifications a statement notifying potential providers that the submission of a bid is a representation that:

i. the potential provider did not consult with any other potential provider about its bid;

ii. the bid was determined without regard to any other formal or informal agreement that the potential provider has with the issuer or any other person (whether or not in connection with the bond issue); and

iii. the bid was not being submitted solely as a courtesy to the issuer or any other person for purposes of satisfying the requirements of the receipt of three bids from disinterested providers or the receipt of at least one bid from a reasonably competitive provider;²

c. Solicit bids from at least three reasonably competitive providers; and

d. Afford all potential providers an equal opportunity to bid; for example, no potential provider is to be given the opportunity to review other bids (i.e., a last look) before providing a bid.

4. To obtain the benefit of the safe harbor provisions, the issuer must also select the highest yielding bona fide bid or the lowest cost bona fide bid, whichever is appropriate under the circumstances.

5. The IRS regulations also contemplate that an issuer may use an agent to conduct the bidding process as long as the agent does not bid to provide the reinvestment product.

² More specifically, IRS regulations require the issuer to receive bids from at least three potential providers that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction (or a provider related to the lead underwriter) is deemed to have a material financial interest in the issue until 15 days after the issue date for the underlying security. Furthermore, one of the three disinterested bids received must be from a reasonably competitive provider.

6. In this matter, bidding agents at times steered business to favored providers through a variety of mechanisms, including giving them information on competing bids (“last looks”) and deliberately obtaining off-market courtesy bids or purposefully non-winning bids so that the favored providers could win the transaction (“set-ups”). In return, the bidding agents were at times rewarded with, among other things, undisclosed gratuitous payments and kickbacks. This misconduct primarily affected the bond issuers and purchasers, which relied on inaccurate certifications executed by the providers (and on most occasions also the bidding agents) to the effect that the bids were competitive, i.e., not tainted by undisclosed consultations, agreements, or payments and reflected fair market value for the purchase of the reinvestment instrument.

Improper Bidding Practices

7. From the inception of the Municipal Reinvestment and Risk Management Group (the “Desk”) in 1998 through at least 2002, many of its members, including two heads of the Desk, participated in and condoned improper practices in connection with the bidding of reinvestment instruments. During the relevant period of time, the Desk was a marketing group comprised of 4 to 9 members that focused on selling derivative products associated with the issuance of municipal debt. The Desk generated business through, among other things, client relationships in commercial lending and securities underwriting performed by Respondent. The Desk also generated business through independent advisors, bidding agents, and brokers. During the relevant period of time, the Desk was based in Charlotte, North Carolina, with one member in New York, New York for a portion of that time. During the relevant time period, members of the Desk were dual officers of both Respondent and BofA.

8. As part of the conduct described herein, bidding agents at times steered business to the Desk through last looks and set-ups. As a result, the Desk won the bids for 88 affected reinvestment instruments.

9. In return, the Desk, among other things, at times steered business to bidding agents and submitted courtesy and purposefully non-winning bids upon request.

10. On occasion, members of the Desk also paid bidding agents that favored the Desk monies in addition to the fees disclosed as brokerage fees. These additional monies were sometimes mischaracterized as payments for services rendered in connection with swaps and marketing pricing letters. On other occasions, the Desk made undisclosed, gratuitous payments to the bidding agents by identifying them on the trade tickets as the brokers on transactions that did not utilize brokers.

11. In certain transactions, the Desk misstated in its bid submissions and/or provider’s certificates that, among other things: its bids were arms-length bids; the Desk did not consult with any other potential provider about its bids; its bids were determined without regard to any other formal or informal agreement that the Desk had with the issuer or any other person (whether or not in connection with the bond issue); and that its bids were not submitted solely as a courtesy to the issuer or any other person for purposes of satisfying the requirements that (a) the issuer receive at least three bids from providers that the issuer solicited under a bona fide

solicitation and (b) at least one of the three bids received was from a reasonably competitive provider.

Representative Transactions

12. **Transaction One.** In an eight-month period, Bidding Agent I improperly rigged two large bids for the investment of bond proceeds on behalf of Municipality One. The first, in October 2001, was arranged to favor the Desk, while the second, in June 2002, was arranged to favor Provider B. With respect to each bid, the potential provider was required to submit the bid initially via telephone and then follow it up with a signed copy of the bid, which was sent to the bidding agent via fax.

a. In late October 2001, a senior member of the bidding agent's municipal derivatives group hosted a breakfast meeting for one of the Desk's marketers. At that meeting, among other items, another bidding agent representative suggested his firm could "help" the Desk on an upcoming \$823,845,000 FPA in return for monetary consideration. Consistent with the aforementioned offer, the bidding agent representative, on October 31, 2001, provided the Desk with a last look, thereby allowing the Desk to win the transaction over Provider B, which had submitted the cover bid.

b. The Desk's bid submission and provider's certificate, among other things, collectively misstated that the bidding agent had not provided any information inducing the Desk to bid a higher amount, and that the Desk had bid without regard to any formal or informal agreement with any other person.

c. In return for the last look, the Desk paid the bidding agent at least \$175,000 in early 2002 for services not rendered.

d. Provider B was upset that the Desk had won this transaction. The bidding agent mollified Provider B by promising its marketer that it would receive favored treatment on the next significant Municipality One transaction – i.e., a \$1.9 billion FPA bid out in June 2002. This bidding process was structured so that the firm providing the earliest escrow roll-over date won the right to provide all of the investments.

e. On the morning of the bid, senior marketers from the Desk and Provider B, during several telephone calls, discussed with each other how they were planning to bid. During one such conversation, the Desk marketer suggested that Provider B could "do better" (i.e., make more profit) than his analysis suggested. Internally, the Desk agreed that a fair price would correlate to a bid of September 24, 2010. Immediately thereafter, the Desk submitted a bid at a level slightly off that price (early October 2010), only to be told by the bidding agent that "you are killing me at that level." The Desk marketer made a quick call to Provider B's marketer. After the call to Provider B's marketer and within 5 minutes of the submission of its original bid, the Desk submitted a revised, less competitive bid with a date of January 15, 2011.

f. The Desk misstated in its bid submission that the Desk had not consulted with any other potential provider about the Desk's bid; that the bidding agent had not provided any information inducing the Desk to bid a higher amount; and that the Desk had submitted the bid without regard to any formal or informal agreement with any other person.

13. **Transaction Two.** Respondent underwrote a \$65,225,000 offering of special assessment bonds and, in March and April of 2002, the Desk won the bids for two instruments in which the offering proceeds would be invested. The head of the Desk recommended the hiring of Bidding Agent II to bid the reinvestment instrument for this deal. During the relevant time period, certain bidding agents would favor the firm that had both underwritten the bonds and arranged for the bidding agent's hiring. Such favoritism generally took the form of either a last look or a set-up. Here, the two bids associated with this transaction were set-up for the Desk to win. This transaction included a refunding escrow that was bid in March 2002 and a debt service reserve fund that was bid in April 2002. The Desk provided Bidding Agent II with the Desk's pricing indications for the instruments that were the subject of the bids, which allowed the bidding agent to advise other prospective bidders where they should not bid. In addition to the brokerage fees that were paid to Bidding Agent II, the Desk paid the bidding agent an additional \$50,000 as purported fees for a market pricing letter in another transaction. In reality, the additional \$50,000 was payment for the favored treatment that the bidding agent showed the Desk in steering these bids in favor of the Desk. The Desk misstated collectively in bid submissions and provider's certificates for these instruments that, among other things, its bids were arms-length bids; based on market prices; and/or were determined without regard to any other formal or informal agreement that the potential provider had with the issuer or any other person.

14. **Transaction Three.** Respondent underwrote a \$145,000,000 offering of revenue bonds and, on October 23, 2001, the Desk won the bid for one of the instruments in which the offering proceeds would be invested. The head of the Desk arranged for the hiring of Bidding Agent III to bid the reinvestment instruments for this deal. As previously stated, certain bidding agents would favor the firm that had both underwritten the bonds and arranged for the hiring of the bidding agent. Here, Bidding Agent III arranged, through the mechanism of a set-up, for the Desk to win the bid for the debt service reserve. In addition, the Desk and bidding agent reached an undisclosed agreement with respect to the fees to be paid to the bidding agent. As an initial matter, the bidding agent was to be paid \$75,000 (five basis points) for brokerage fees. However, the borrower, on whose behalf the bonds were issued, balked at such a high fee. To placate the borrower, the bidding agent subsequently claimed to have "reduced" its fee to \$5,000. However, the Desk and Bidding Agent III had made alternative arrangements for the latter to be paid the additional \$70,000, mischaracterized as payment for services rendered in connection with a swap on another transaction. Once again, the Desk's bid submission misstated that, among other things, its bid was determined without regard to any other formal or informal agreement with the issuer or any other person.

Legal Discussion

15. Section 15(c)(1)(A) of the Exchange Act prohibits any broker or dealer from using the mails or other means of interstate commerce "to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security . . . by means of any manipulative,

deceptive, or other fraudulent device or contrivance.” Exchange Act Rule 15c1-2 defines such means to include “any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person ,” and “any untrue statement of a material fact and any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, which statement or omission is made with knowledge or reasonable grounds to believe that it is untrue or misleading.”

16. As described above, Respondent, using the mails or any means or instrumentality of interstate commerce, engaged in improper bidding practices such as set-ups, last looks, the submission of courtesy and purposefully non-winning bids, and other conduct that it knows or has reasonable grounds to believe is misleading. As a result of such conduct, Respondent willfully violated Exchange Act Section 15(c)(1)(A).

Cooperation and Remedial Efforts

17. In determining to accept Respondent’s offer, the Commission considered the cooperation of and the remedial actions undertaken by Respondent in connection with the Commission’s investigation as well as investigations conducted by other law enforcement agencies. Among other things, Respondent and its affiliates voluntarily self-reported the bidding practices described herein to the DOJ; cooperated extensively with investigations conducted by the Commission Staff, the DOJ, and other law enforcement and regulatory entities into these practices; implemented personnel actions and other remedial measures designed to prevent recurrence of these or similar practices; and committed to paying restitution to issuers affected by these practices. The DOJ accepted BAC into Part A of its Corporate Leniency Program, the Department’s highest cooperation status.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent’s Offer.

Accordingly, pursuant to Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

- A. Respondent is censured;
- B. Respondent shall cease and desist from committing or causing any violations and any future violations of Section 15(c)(1)(A) of the Exchange Act; and

C. Respondent shall, within 30 days of the entry of this Order, pay disgorgement in the amount of \$24,926,375.00 plus prejudgment interest thereon in the amount of \$11,170,067.00, for a total of \$36,096,442.00, to the Payee(s) or their successors-in-interest or assigns in the individual amounts identified in the attached Exhibit "A."

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), on the Respondent, Banc of America LLC, now known as Merrill Lynch, Pierce, Fenner & Smith Incorporated, successor by merger, and its legal agents.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Elaine C. Greenberg, Esq.
Philadelphia Regional Office
Securities and Exchange Commission
701 Market Street, Suite 2000
Philadelphia, PA 19106

Banc of America Securities LLC, now known as now known as Merrill Lynch, Pierce, Fenner & Smith Incorporated, successor by merger
c/o Russell G. Ryan, Esq.
King & Spalding LLP
1700 Pennsylvania Avenue, N.W.
Washington, DC 20006-4706

Russell G. Ryan, Esq.
King & Spalding LLP
1700 Pennsylvania Avenue, N.W.
Washington, DC 20006-4706
(Counsel for the Respondent, Banc of America LLC, now known as Merrill Lynch, Pierce, Fenner & Smith Incorporated, successor by merger)

	EXHIBIT "A"		
Transaction	Approximate Bid Date	Payee(s)	Disgorgement and Prejudgment Interest To Be Paid
\$50,000,000 The Health Educational and Housing Facility Board of the County of Montgomery, Tennessee, Hospital Improvement and Revenue Bond Series 1998 (Clarksville Regional Health System)	July 20, 1998	Clarksville Regional Health System, Inc.	\$ 34,470.00
\$50,000,000 The Health Educational and Housing Facility Board of the County of Montgomery, Tennessee, Hospital Improvement and Revenue Bond Series 1998 (Clarksville Regional Health System)	July 20, 1998	Clarksville Regional Health System, Inc.	\$ 418,815.00
Illinois Development Finance Authority \$20,000,000 Economic Development Revenue Bonds, Series 1998 (The Latin School of Chicago Project)	August 10, 1998	The Latin School of Chicago	\$ 17,135.00
Illinois Development Finance Authority \$20,000,000 Economic Development Revenue Bonds, Series 1998 (The Latin School of Chicago Project)	August 10, 1998	The Latin School of Chicago	\$ 77,105.00
Missouri Development Finance Board \$9,740,000 Multifamily Housing Revenue Refunding Bonds (Quality Hill Project) S Series 1999A; \$532,000 Multifamily Housing Revenue Refunding Bonds (Quality Hill Project) Series 1998B	November 16, 1998	Quality Hill Historic Rehabilitation, LP	\$ 8,418.00
City of Detroit Water System Revenue and Refunding Bonds Series 1993	January 28, 1999	City of Detroit	\$ 333,067.00
City of Detroit Water System Revenue and Refunding Bonds Series 1993	January 28, 1999	City of Detroit	\$ 333,067.00
Missouri Development Finance Board \$9,740,000 Multifamily Housing Revenue Refunding Bonds (Quality Hill Project) Series 1999A; \$532,000 Multifamily Housing Revenue Refunding Bonds; (Quality Hill Project) Series 1998B; \$4,540,000 Taxable Multifamily Housing Revenue Bonds (Quality Hill Project) Series 1998C	March 3, 1999	Quality Hill Historic Rehabilitation, LP	\$ 115,386.00

109,335,000 City of Loma Linda, California, Hospital Revenue Refunding Bonds (Loma Linda University Medical Center Project) Series 1989	March 3, 1999	Loma Linda University Medical Center	\$ 263,740.00
\$4,000,000 ABAG Finance Authority for Nonprofit Corporations Variable Rated Demand Certificates of Participation (Marin Academy Project)	June 16, 1999	Marin Academy	\$ 42,116.00
\$19,500,000 Fairfax County Economic Development Authority Revenue Bonds (National Wildlife Federation Project), Series 1999	June 17, 1999	National Wildlife Federation and National Wildlife Endowment, Inc. (jointly)	\$ 55,075.00
Massachusetts State College Building Authority \$37,816,966.40 Massachusetts State College Building Authority Project Revenue Bonds, Senior Series 1999-A and \$45,915,000 Massachusetts State College Building Authority Project Revenue Bonds, Series 1999-1	August 4, 1999	Massachusetts State College Building Authority	\$ 101,679.00
Massachusetts State College Building Authority \$37,816,966.40 Massachusetts State College Building Authority Project Revenue Bonds, Senior Series 1999-A and \$45,915,000 Massachusetts State College Building Authority Project Revenue Bonds, Series 1999-1	August 4, 1999	Massachusetts State College Building Authority	\$ 78,460.00
Massachusetts State College Building Authority \$37,816,966.40 Massachusetts State College Building Authority Project Revenue Bonds, Senior Series 1999-A and \$45,915,000 Massachusetts State College Building Authority Project Revenue Bonds, Series 1999-1	August 4, 1999	Massachusetts State College Building Authority	\$ 21,617.00
\$5,600,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (LATI Industries Inc. Project), Series 1999	August 26, 1999	LATI Industries, Inc.	\$ 16,012.00
County of San Diego, \$51,500,000 Certificates of Participation (The Burnham Institute)	September 9, 1999	The Burnham Institute	\$ 405,938.00
City of Virginia Beach Development Authority \$7,500,000 Multifamily Residential Rental Housing Revenue Bonds (The Hamptons and The Hampton Court Apartments Project), Series 1999	October 5, 1999	Renaissance Hamptons, L.P.	\$ 79,139.00

City of Virginia Beach Development Authority \$7,500,000 Multifamily Residential Rental Housing Revenue Bonds (The Mayfair I and Mayfair II Apartments Project) Series 1999	October 5, 1999	Renaissance Mayfair, L.P.	\$ 79,139.00
City of Virginia Beach Development Authority \$7,500,000 Multifamily Residential Rental Housing Revenue Bonds (The Hamptons and The Hampton Court Apartments Project), Series 1999	October 5, 1999	Renaissance Hamptons, L.P.	\$ 102,880.00
City of Virginia Beach Development Authority \$7,500,000 Multifamily Residential Rental Housing Revenue Bonds (The Mayfair I and Mayfair II Apartments Project), Series 1999	October 5, 1999	Renaissance Mayfair, L.P.	\$ 102,880.00
\$155,410,000 Oregon State Lottery Revenue Bonds 1999 Series	November 18, 1999	State of Oregon	\$ 232,900.00
\$155,410,000 Oregon State Lottery Revenue Bonds 1999 Series	November 18, 1999	State of Oregon	\$ 58,225.00
California Statewide Communities Development Authority, \$24,000,000 Certificates of Participation (PRIDE Industries and Pride Industries One, Inc.)	November 23, 1999	PRIDE Industries and Pride Industries One, Inc. (jointly)	\$ 217,557.00
California Statewide Communities Development Authority, \$24,000,000 Certificates of Participation (PRIDE Industries and Pride Industries One, Inc.)	November 23, 1999	PRIDE Industries and Pride Industries One, Inc. (jointly)	\$ 31,079.00
The Oklahoma Development Finance Authority \$236,190,000 Hillcrest Healthcare System Revenue and Refunding Bonds	December 22, 1999	Hillcrest Healthcare System	\$ 1,438,373.00
The Oklahoma Development Finance Authority \$236,190,000 Hillcrest Healthcare System Revenue and Refunding Bonds	December 22, 1999	Hillcrest Healthcare System	\$ 202,174.00
The Oklahoma Development Finance Authority \$236,190,000 Hillcrest Healthcare System Revenue and Refunding Bonds	December 22, 1999	Hillcrest Healthcare System	\$ 2,910,700.00
The Oklahoma Development Finance Authority \$236,190,000 Hillcrest Healthcare System Revenue and Refunding Bonds	December 22, 1999	Hillcrest Healthcare System	\$ 233,041.00
Oakland Joint Powers Financing Authority \$187,500,000 Lease Revenue Bonds 1998 Series A- 1 and A-2	February 9, 2000	Oakland Joint Powers Financing Authority	\$ 182,500.00
County of Mecklenburg \$25,000,000 Variable Rate Certificates of Participation (2000 Mecklenburg County - Corporation Project)	April 13, 2000	County Of Mecklenburg, North Carolina	\$ 61,876.00

Housing and Development Authority of the City of Saint Paul, Minnesota's \$34,080,000 Hospital Facility Revenue Bonds (HealthEast Project), Series 1997A and 1997B	April 14, 2000	HealthEast Corporation	\$ 1,038,904.00
Washington County Housing and Redevelopment Authority \$49,135,000 Hospital Revenue Bonds (HealthEast Project) Series 1998	April 14, 2000	HealthEast Corporation	\$ 2,322,461.00
The Public Building Authority of the City of Clarksville, Tennessee, \$75,000,000 Adjustable Rate Pooled Financing Revenue Bonds Series 1990 (The Tennessee Municipal Bond Fund)	May 15, 2000	The Public Building Authority of the City of Clarksville, Tennessee	\$ 166,974.00
\$16,610,000 North Carolina Education Facilities Finance Agency Variable Rate Educational Facilities Revenue Bonds (Charlotte Country Day School), Series 2000	June 7, 2000	Charlotte Country Day School	\$ 71,937.00
Alameda Corridor Transportation Authority, \$494,893,616.80 Tax-Exempt Senior Lien Revenue Bonds Series 1999A and \$497,453,395.70 Taxable Senior Lien Revenue Bonds Series 1999C	June 19, 2000	Alameda Corridor Transportation Authority	\$ 373,253.00
Alameda Corridor Transportation Authority, \$494,893,616.80 Tax-Exempt Senior Lien Revenue Bonds Series 1999A and \$497,453,395.70 Taxable Senior Lien Revenue Bonds Series 1999C	June 19, 2000	Alameda Corridor Transportation Authority	\$ 373,253.00
\$10,000,000 South Carolina Educational Facilities Authority for Private Institutions of Higher Learning Education Facilities Revenue Bonds (Converse College Project) Series 2000	July 10, 2000	Converse College	\$ 24,724.00
Hillsborough County Industrial Development Authority \$23,400,000 Variable Rate Demand Revenue Bonds (Tampa Metropolitan Area YMCA), Series 2000	July 12, 2000	Tampa Metropolitan YMCA, Inc.	\$ 194,800.00
Tensas Parish Law Enforcement District (Louisiana) \$9,995,000 Certificates of Participation in Lease Agreement (with Option to Purchase) (Western Correctional Facility)	August 25, 2000	Tensas Parish Law Enforcement District, Louisiana	\$ 66,997.00
Guam Power Authority Revenue Bonds, 1993 Series A and 1999 Series A	August 30, 2000	Guam Power Authority	\$ 5,173,671.00
California Educational Facilities Authority \$18,000,000 Variable Rate Demand Revenue Bonds (Chapman University) Series 2000	September 18, 2000	Chapman University	\$ 36,979.00

California Infrastructure and Economic Development Bank \$108,135,000 Revenue Bonds Series 2000 (Asian Art Museum of San Francisco Project)	September 20, 2000	Asian Art Museum Foundation of San Francisco	\$ 168,628.00
King County, Washington Shoreline Fire Department Fire Protection District No. 4 \$13,800,000 Unlimited Tax General Obligation Bond Series 1997	September 22, 2000	King County, Washington	\$ 73,220.00
\$12,570,000 California Health Facilities Financing Authority Insured Hospital Refunding Revenue Bonds (Lodi Memorial Hospital) 2000 Series A	November 20, 2000	Lodi Memorial Hospital Association, Inc.	\$ 56,953.00
\$12,570,000 California Health Facilities Financing Authority Insured Hospital Refunding Revenue Bonds (Lodi Memorial Hospital) 2000 Series A	November 20, 2000	Lodi Memorial Hospital Association, Inc.	\$ 43,810.00
\$25,000,000 California Statewide Communities Development Authority Solid Waste Exempt Facility Revenue Bonds (Republic Services, Inc. Project) Series 2000	December 14, 2000	Republic Services, Inc.	\$ 117,524.00
\$31,705,000 Oxnard Union High School (County of Ventura, California) 2001 District General Obligation Refunding Bonds, Series A	April 19, 2001	Oxnard Union High School District	\$ 417,497.00
\$75,600,020 California Educational Facilities Authority Refunding Revenue Bonds (Loyola Marymount University) Series 2001A	May 24, 2001	Loyola Marymount University	\$ 914,687.00
\$24,105,000 Pomona Unified School District: General Obligation Refunding Bonds,	May 30, 2001	Pomona Unified School District	\$ 63,324.00
\$24,105,000 Pomona Unified School District: General Obligation Refunding Bonds,	May 30, 2001	Pomona Unified School District	\$ 63,324.00
Massachusetts Development Finance Agency, \$10,640,000 Devens Electric System Revenue Series 2001	June 15, 2001	Massachusetts Development Finance Agency	\$ 68,559.00
Massachusetts Development Finance Agency, \$10,640,000 Devens Electric System Revenue Series 2001	June 15, 2001	Massachusetts Development Finance Agency	\$ 39,177.00
Educational Facilities Authority for Private Nonprofit Colleges of Higher Learning \$10,000,000 Educational Facilities Revenue Bonds (Columbia College Project), Series 2001	June 19, 2001	The Columbia College	\$ 17,210.00

Health & Education Facilities Authority of the State of Missouri, Missouri School District Direct Deposit Program for School Districts in the State of Missouri	August 21, 2001	Health and Educational Facilities Authority of the State of Missouri, Program Administrator for the Missouri School District Direct Deposit Program	\$ 1,544,685.00
\$7,300,000 Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (WTVF Channel 47 Project) Tax Exempt Series 2001-A and \$3,000,000 Illinois Development Finance Authority Variable Rate Demand Revenue Bonds (WTVF Channel 47 Project) Taxable Series 2001-B	August 23, 2001	Illinois Valley Public Telecommunications Corporation	\$ 23,551.00
\$20,920,000 Oxnard School District (County of Ventura, California) 2001 District General Obligation Refunding Bonds, Series A	August 29, 2001	Oxnard School District	\$ 259,063.00
City of Boynton Beach, Florida \$24,400,000 Utility System Revenue Refunding Bonds, Series 2002	September 17, 2001	City of Boynton Beach, Florida	\$ 117,169.00
\$145,000,000 California Infrastructure and Economic Development Bank Revenue Bonds (The J. David Gladstone Institutes Project), Series 2001	October 23, 2001	The J. David Gladstone Institutes	\$ 678,978.00
City of Clearwater, Florida \$11,470,000 Improvement Revenue Refunding Bonds, Series 2000	October 23, 2001	City of Clearwater, Florida	\$ 72,698.00
\$28,610,000 West Contra Costa Unified School District General Obligation Refunding Bonds, Series 2001A	October 24, 2001	West Contra Costa Unified School District	\$ 301,768.00
\$10,255,000 West Contra Costa Unified School District General Obligation Refunding Bonds, Series 2001B	October 24, 2001	West Contra Costa Unified School District	\$ 102,875.00
\$20,590,000 Parking Authority of the City of Trenton Parking Revenue Refunding Bonds (City Guaranteed, Series 2001), County of Mercer, New Jersey	October 24, 2001	Parking Authority of the City of Trenton, NJ	\$ 109,734.00
Commonwealth of Massachusetts, \$823,845,000 General Obligation Bonds, Consolidated Loan of 2001, Series D	October 30, 2001	The Commonwealth of Massachusetts	\$ 6,172,530.00
\$25,000,000 Director of the State of Nevada Department of Business and Industry Variable Rate Demand Solid Waste Disposal Revenue Bonds (Republic Services, Inc. Project), Series 2001	December 18, 2001	Republic Services, Inc.	\$ 42,780.00

\$25,000,000 Director of the State of Nevada Department of Business and Industry Variable Rate Demand Solid Waste Disposal Revenue Bonds (Republic Services, Inc. Project), Series 2001	December 18, 2001	Republic Services, Inc.	\$ 42,780.00
\$11,275,000 Redevelopment Agency of the City of West Covina Housing Set-Aside Tax Allocation Revenue Bonds, Series 2001	December 20, 2001	Redevelopment Agency of the City of West Covina, CA	\$ 84,202.00
California Educational Facilities Authority: Variable Rate Demand Revenue Bonds 21,600,000 California Educational Facilities Revenue Bonds (Santa Clara University), Series 2002A and the \$10,390,000 California Educational Facilities Authority Variable Rate Demand Revenue Bonds (Santa Clara University), Series 2002B	January 17, 2002	The President and Board of Trustees of Santa Clara College, doing business as Santa Clara University	\$ 64,643.00
Puerto Rico Highway and Transportation Authority, Transportation Revenue Refunding Bonds (Series 2002 E) MBIA Escrow	January 24, 2002	Puerto Rico Highway and Transportation Authority	\$ 243,426.00
Puerto Rico Highway and Transportation Authority, Transportation Revenue Refunding Bonds (2002 Series E)	January 25, 2002	Puerto Rico Highway and Transportation Authority	\$ 682,945.00
\$65,255,000 Beacon Tradeport Community Development District Special Assessment Bonds, Series 2002A (Commercial Project)	March 13, 2002	Beacon Tradeport Community Development District	\$ 1,005,676.00
Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, South Carolina, \$30,455,000 Educational Facilities Capital Improvement and Refunding Revenue Bonds, Series 2002 (Benedict College Project)	March 22, 2002	The Benedict College	\$ 576,587.00
\$27,000,000 City of Tampa, Florida, Revenue Bonds, Series 2002 (University of Tampa Project)	March 22, 2002	University of Tampa, Incorporated	\$ 830,689.00
\$27,000,000 City of Tampa, Florida, Revenue Bonds, Series 2002 (University of Tampa Project)	March 22, 2002	University of Tampa, Incorporated	\$ 278,908.00
\$65,255,000 Beacon Tradeport Community Development District Special Assessment Bonds, Series 2002A (Commercial Project)	April 15, 2002	Beacon Tradeport Community Development District	\$ 389,226.00
Illinois Development Finance Authority \$21,220,000 General Obligation Bonds (Waterworks System Alternate Revenue Source), Series 2002, of the City of West Chicago, DuPage County, Illinois	April 15, 2002	City of West Chicago, DuPage County, Illinois	\$ 190,941.00

\$31,425,000 County of Santa Barbara 2001 Certificates of Participation (2001 Capital Improvement Plan Project)	May 6, 2002	County of Santa Barbara, CA	\$ 132,961.00
\$31,425,000 County of Santa Barbara 2001 Certificates of Participation (2001 Capital Improvement Plan Project)	May 6, 2002	County of Santa Barbara, CA	\$ 66,480.00
\$13,055,000 California Educational Facilities Authority Variable Rate Demand Revenue Refunding Bonds (Art Center College of Design) 2002 Series B	May 7, 2002	Art Center College of Design	\$ 35,899.00
Texas Community Mental Health and Mental Retardation Centers, \$89,200,000 Public Property Finance Corporation of Texas Mental Health and Mental Retardation Center Facilities Acquisition Problem, Acquisition and Refunding Bonds, Series 1993; \$10,000,000 Dallas County Mental Health Retardation Center Revenue Bonds, Mental Health and Mental Retardation Center Facilities Acquisition Program, Series 1995; \$3,375,000 Texas Community MMHR Centers Revenue Bonds, Mental Health Retardation and Mental Retardation Center Facilities Acquisition Program, Series 1995 A-E; \$9,900,000 Public Property Finance Corporation of Texas Mental Health and Mental Retardation Center Facilities Acquisition Program, Revenue Bonds, Series 1996.	May 16, 2002	Texas Council of Community Mental Health and Retardation Centers, Inc., Program Administrator	\$ 146,257.00
\$20,410,000 West Covina Unified School District (County of Los Angeles, California) 2002 General Obligation Refunding Bonds, Series A	May 30, 2002	West Covina Unified School District	\$ 138,279.00
Puerto Rico Electric Power Authority, \$385,000,000 Power Revenue Refunding Bonds, Series KK	June 11, 2002	Puerto Rico Electric Power Authority	\$ 165,495.00
\$224,150,000 New Jersey Transit Corporation Certificates of Participations (Series 2002A) Subordinated Certificates of Participation (2002 B)	June 20, 2002	New Jersey Transit Corporation	\$ 198,594.00
\$224,150,000 New Jersey Transit Corporation Certificates of Participations (Series 2002A) Subordinated Certificates of Participation (2002 B)	June 20, 2002	New Jersey Transit Corporation	\$ 132,396.00

\$685,390,000 Tobacco Settlement Financing Corporation--\$649,730,000 Tobacco Settlement Asset-Backed Bonds, Series 2002A (Tax-Exempt) and \$35,660,000 Tobacco Settlement Asset-Backed Bonds, Series 2002B (Taxable)	June 20, 2002	The State of Rhode Island and Providence Plantations	\$ 926,772.00
West Covina Public Finance Authority, \$2,690,000 Taxable Variable Rate Lease Revenue Refunding Bonds, 2002 Series A	June 21, 2002	West Covina Public Finance Authority	\$ 26,479.00
West Covina Public Finance Authority, \$19,205,000 Taxable Variable Rate Lease Revenue Bonds, 2002 Series B	June 21, 2002	West Covina Public Finance Authority	\$ 26,479.00
Tampa Port Authority, \$25,000,000 Hillsborough County Port District Revenue Bonds (Tampa Port Authority Project) Series 2002A and \$10,000,000 Hillsborough County Port District Revenue Bonds (Tampa Port Authority Project) Series 2000B	July 2, 2002	Tampa Port Authority	\$ 43,606.00
Allegheny County Airport Authority, \$114,500,000 Series AMT Airport Revenue Refunding Bonds	August 6, 2002	Allegheny County Airport Authority	\$ 98,462.00
TOTAL			\$ 36,096,442.00