

April 27, 2018

LeeAnn Ghazil Gaunt, Chief of the Public Finance Abuse Unit.
Public Finance Abuse Unit
100 F St. NE
Washington, DC 20549

RE: Inaccurate and Meritless Allegations in Letters to the SEC from the Competitive Enterprise Institute and the National Association of Manufacturers

Dear Ms. Gaunt:

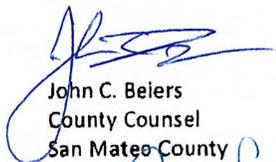
We are providing you a detailed report that rebuts the inaccurate and meritless allegations levelled by the Competitive Enterprise Institute (CEI) in its February 1, 2018 letter to you, and by the National Association of Manufacturers (NAM) in its March 27, 2018 to you. The report was prepared by Martha Haines, who, as you know, was head of the SEC's Office of Municipal Securities from 2001 to 2011.

The allegations in the CEI and NAM letters are similar to those made against our communities in a Petition filed by Exxon in Texas state court on January 8, 2018. Their incorrect and misleading claims of "possible bond fraud" and a "violation of 15 U.S.C. § 77q(a)(2)" echo those made in a Petition filed by Exxon in Texas state court in January seeking to depose public counsel and other officials representing municipal governments that filed suit against Exxon and other fossil fuel companies over the past nine months.

After reviewing the circumstances surrounding the various financing, Ms. Haines concludes that none of the bond offerings they cite "either made an untrue statement of a material fact regarding sea level change or, where relevant, climate change in their respective disclosure documents ... or omitted such a material fact necessary in order to make the information included therein, not misleading."

Thank you for taking the time to review the Haines Report. We hope it will be informative for you. Please let us know if you have any questions.

Sincerely,



John C. Beiers
County Counsel
San Mateo County



Jennifer Lyon
City Attorney
City of Imperial Beach



Anthony P. Condotti
City Attorney
City of Santa Cruz



Dana McRae
County Counsel
Santa Cruz County



Brian E. Washington
County Counsel
Marin County

Expert Report of Martha Mahan Haines
dated April 25, 2018

Introduction

On behalf of the Counties of San Mateo, Marin and Santa Cruz, California and the Cities of Imperial Beach and Santa Cruz, California (the “Municipal Governments”), I have been asked to review and provide my expert opinion regarding disclosures made in the official statements associated with certain bond offerings of the Municipal Governments. Such bond offerings are specifically described in the Verified Petition for Pre-Suit Depositions of Matthew F. Pawa, John C. Beiers, John L. Maltbie, Jennifer Lyon, Andy Hall, Serge Dedina, Brian Washington, Matthew Hymel, Barbara Parker, Sabrina B. Landreth, Dennis Herrera, Edward Reiskin, Dana McRae, Carlos Palacios, Anthony P. Condotti and Martin Bernal filed in the District Court of Tarrant County, Texas, on January 8, 2018 (the “Petition”) by Exxon Mobil Corporation (“Exxon”).¹

The core allegation in the Petition is that the Municipal Governments failed to include in their Official Statements accompanying the bond offerings specific information regarding the risks of sea level rise and/or climate change that the Municipal Governments included in their 2017 lawsuits against Exxon and other fossil fuel companies.² Subsequently, both the Competitive Enterprise Institute³ and the National Association of Manufacturers⁴ sent letters asking the U.S. Securities and Exchange Commission (SEC) to investigate whether bond offerings from the Municipal Governments contained misleading statements in violation of 15 U.S.C. § 77q(a)(2).

The questions that I have been asked to address are:

1. Did the disclosures in the official statements for the bond offerings described above satisfy the disclosure requirements of the federal securities laws? Did the issuer of such bonds make an untrue statement of a material fact or omit to state a material fact⁵ necessary in order to make the

¹ I have not considered and express no opinion regarding the various lawsuits filed by the Municipal Governments against a group of energy companies, including Exxon Mobil, related to climate change.

² See e.g., Petition at pp. 4-5 ¶¶ 7-9.

³ <https://cei.org/content/sec-investigate-securities-fraud-california-climate-ri>

⁴ http://mfgaccountabilityproject.org/wp-content/uploads/2018/04/SEC-Letter_3.27.18-3.pdf

⁵ The standard for “materiality” in the context of an “omission” is whether there was a substantial likelihood that the omitted information (in this case, regarding the potential impact of sea level rise and climate change) would have been viewed by a reasonable investor as having significantly altered the total mix of information made available?

statements made, in light of the circumstances under which they were made, not misleading?

2. Is there a “stark and irreconcilable conflict”⁶ between (i) the complaints filed by the Municipal Governments in connection with their respective civil tort claims against Exxon and other fossil fuel companies and (ii) the disclosures made by the Municipal Governments in connection with certain bond offerings?

Summary Conclusions

In my opinion, based on the information I have reviewed:

1. None of the Municipal Governments either made an untrue statement of a material fact regarding sea level change or, where relevant, climate change⁷ in their respective disclosure documents for the securities offerings identified in the Petition or omitted such a material fact necessary in order to make the information included therein, not misleading.

2. There is no inconsistency or conflict between the allegations in the complaints filed by the Municipal Governments in connection with their respective civil tort claims against Exxon and other fossil fuel companies regarding sea level rise and the disclosures made by such governments in their respective disclosure documents.

I have four primary reasons for this conclusion, some or all of which are applicable depending on the particular securities offering (discussed in detail below):

- a. Information that does not yet exist or is unknown necessarily cannot be disclosed.
- b. The leased premises generating the lease payments that secured the bonds at issue were at no risk from sea level change prior to the maturity date of the securities.
- c. The maturity of the securities was so short that it was not reasonable to foresee any impact on their timely repayment from long-term sea level change.
- d. It is not reasonably foreseeable that the issuers would ignore the risks of sea level rise once known to them, fail to take steps to adapt to and mitigate its impact and, as a result, allow their respective financial conditions to deteriorate to the extent that they would default on their repayment obligations decades in the future.

⁶ Petition at p. 5 ¶ 9.

⁷ i.e., wildfire risks in the County of Santa Cruz.

It is important to note that investors in municipal securities are always interested in information concerning the relative risk of repayment of their bonds. As a corollary, information concerning risks that may arise after their bonds will have matured is not material to investors making an investment decision.⁸ Furthermore, disclosure documents speak as of their date. Issuers cannot include in disclosure documents information that does not yet exist. In addition, disclosures of speculative information or projections, when included, are appropriately accompanied by cautionary language in order to emphasize their uncertainty.

Discussion

Overview of Disclosure Requirements of the Federal Securities Laws applicable to the Municipal Governments

Municipal governments, including those listed above are subject to the prohibitions against fraud set forth in the securities laws, including specifically section 17(a) of the Securities Act of 1933,⁹ section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5¹⁰ thereunder. In sum, these provisions prohibit the making of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the offer, sale or purchase of securities. Obviously, the determination of what constitutes a “material fact” is essential to comply with these provisions.¹¹

⁸ Although they may be generally interested as individuals or citizens, this is not relevant to the securities laws.

⁹ In relevant part:

15 U.S. Code § 77q - Fraudulent interstate transactions (Section 17(a) Securities Act of 1933):

(a) USE OF INTERSTATE COMMERCE FOR PURPOSE OF FRAUD OR DECEIT It shall be unlawful for any person in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly -
[subsection (1) omitted]

(2) to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
[subsection (3) omitted].

¹⁰ In relevant part:

17 CFR 240.10b-5 (Exchange Act Rule 10b-5) Employment of manipulative and deceptive devices.

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange,

(a) [omitted]

(b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or

(c) [omitted]

in connection with the purchase or sale of any security.

¹¹ Of note, the Commission’s Guidance Regarding Disclosure Related to Climate Change (Release Nos. 33-9106, 34-61469 and FR-82) dated February 2, 2010, which provides guidance to

In brief, Courts have found that information is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding to make an investment decision. In particular, in considering whether an omitted fact (supposedly, in this case, the potential consequences of sea level rise on repayment of certain bonds issued by the Municipal Governments) was material, courts will consider whether there was a substantial likelihood that the disclosure of the omitted fact would have been viewed by a reasonable investor as having significantly altered the total mix of information made available.¹² This “total mix” includes “information already in the public domain and facts known or reasonably available to [investors].”¹³ For example, information reported countrywide in the press and on radio and television, discussed in Congress, and analyzed in published administrative and judicial opinions, and which was the subject of a nationwide consumer boycott accompanied by massive media advertising has been found clearly to be already in the public domain.¹⁴

What is Important to Investors in Municipal Bonds?

The overarching concern of investors in municipal bonds is simple: to be paid principal and interest when due. Factors relevant to timely repayment are of obvious importance in making an investment decision. Thus, the source of repayment for each bond offering and the sufficiency of that source must be considered and evaluated in order to determine what information would be material to investors. In addition, investors who may wish to sell their bonds before their maturity date are interested in factors that may affect their future market value. Disclosure documents focus on the current strength of the specific source(s) of repayment of a bond and address risks to such sources of repayment that are known or reasonably foreseeable at the time the disclosure is made. There is no hard and fast set of rules for issuers of municipal securities to follow when making disclosures, rather they must assess the materiality of available information -- which is a determination based on the particular facts and circumstances known at the time the disclosure document is prepared. Thus, both the information available to an issuer of municipal securities and the date upon which it became available are important when considering whether disclosure regarding a specific bond is adequate.

An evaluation of whether information concerning potential impacts on a particular municipal entity as a result of sea level rises, flooding and related concerns is material under the securities laws depends upon a number of factors, including (1) the security and sources for payment of the particular bonds, (2) the

public companies regarding the Commission’s then existing disclosure requirements as they apply to climate change matters, is inapplicable to the Municipal Governments.

¹² See, TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438 (1976) and Basic v. Levinson, 485 U.S. 224 (1988).

¹³ See, Rodman v. Grant Foundation, 608 F.2d at 70 (2d Cir. 1979).

¹⁴ See, Siebert v. Sperry Rand Corp., 586 F.2d at 952 (2d Cir. 1978).

maturity of the securities being offered, (3) the plans in place to mitigate and adapt to sea level rise, and (4) the resources already set aside and available in the future to mitigate and adapt to sea level rise. Thus, there is no one-size-fits all disclosure formula.¹⁵

Issuers of municipal securities are not required to disclose information that is not yet available or reasonably reliable. Furthermore, in general, the accuracy of predictions declines the farther out in time they cover. Projections of the effects and costs of sea level rise in specific geographic areas decades in the future necessarily entail a higher level of uncertainty.

Often, both direct and indirect factors may affect the source of repayment of a particular bond.¹⁶ For example, in the case of lease revenue bonds, if the leased facilities for which lease rental payments are due were to suffer material damage or destruction that substantially interferes with their use and occupancy, financing documents often provide that all or part of the lease rental payments may be suspended while the facilities cannot be used. As a result, the fact that a particular leased facility is anticipated to be below sea-level at some point prior to the maturity date of the bonds could directly affect the source of repayment and would likely be material to investors. In addition, the existence of rental interruption insurance that might mitigate such a potential loss of lease payments for some period of time also would likely be material to investors in evaluating repayment risk.

Similarly, events that might indirectly impact the future ability of a municipal entity to make lease rental payments (such as climate-related events that might severely impact an entity's overall financial or economic condition by significantly reducing tax revenues or increasing expenses and creating a need for a substantial amount of increased debt) may be relevant to an investor. However, in the case of sea-level rise and certain other climate impacts, municipal entities generally will not be greatly affected for decades and may be expected to undertake adaptation and mitigation strategies,¹⁷ making the probability and magnitude of indirect impacts

¹⁵ A recent research report by Moody's Investors Service dated November 28, 2017 regarding the evaluation of the impact of climate change on U.S. state and local government issuers addresses factors it considers important when evaluating credit risk related to climate change. It notes that the credit risks from climate change are embedded in its existing approach to analyzing key credit factors. See, <http://www.southeastfloridaclimatecompact.org/wp-content/uploads/2017/12/Evaluating-the-impact-of-climate-change-on-US-state-and-local-issuers-11-28-17.pdf>

¹⁶ Obviously, the factors that may affect repayment vary depending on the source of repayment for the particular bond issue. In the case of bonds payable from property tax revenues, for example, foreseeable occurrences prior to the maturity of the bonds that might impact an entity's overall financial or economic condition by significantly reducing tax revenues or increasing expenses and creating a need for a substantial amount of increased debt generally would be material to an investor.

¹⁷ See, for example, the discussion of adaptation and mitigation strategies found in the County of San Mateo Sea Level Rise Vulnerability Assessment Final Report dated March, 2018, available at:

difficult to assess, particularly when looking far into the future. Furthermore, issuers must beware of making predictions for the future, whether positive or negative, without current documentation to support it for fear of being accused of making a material misstatement that violates the anti-fraud provisions of the securities laws.¹⁸

Analysis of Disclosures Made by Each Municipal Government

A. County of San Mateo

1. The Petition alleges that San Mateo County's disclosure statements were inadequate regarding sea-level change for the following three bond issues: (1) \$40,065,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Refunding and Capital Projects) 2013 Series A (Robert Sans Memorial Issue) (the "2013 San Mateo Lease Revenue Bonds")¹⁹, (2) \$175,065,000 San Mateo County Joint Powers Financing Authority Lease Revenue Bonds (Capital Projects) 2014 Series A (Maple Street Correctional Center) (the "2014 San Mateo Correctional Center Lease Revenue Bonds"), and (3) \$107,600,000 San Mateo County Joint Powers Financing Authority Refunding Lease Revenue Bonds (Youth Services Campus) 2016 Series A (the "2016 San Mateo Youth Services Lease Revenue Bonds"). All are payable from lease rental payments to be made by the County on related leases.

2. The leases related to the 2013 San Mateo Lease Revenue Bonds, the 2014 San Mateo Correctional Center Lease Revenue Bonds and the 2016 San Mateo Youth Services Lease Revenue Bonds (the "San Mateo Bonds") all include a provision in which the rental payments securing such bonds will be reduced proportionally in the event that, by reason of any material damage or destruction (other than by condemnation), there is substantial interference with the use and occupancy by the County of the

http://seachangesmc.com/wp-content/uploads/2018/03/2018-03-12_SLR_VA_Report_2.2018_WEB_FINAL.pdf; City of Santa Cruz Climate Adaptation Plan 2012-2017 update, available at: <http://www.cityofsantacruz.com/home/showdocument?id=23644>; Marin Ocean Coast Sea Level Rise Adaptation Report Public Review Draft dated May, 2017, available at: https://www.marincounty.org/~media/files/departments/cd/planning/slr/c-smart/chapters_13.pdf?la=en.

¹⁸ This is a result of the so-called "bespeaks caution" doctrine relied upon by various courts in concluding that claims of securities fraud are subject to dismissal if cautionary language in the offering document negates the materiality of the alleged misrepresentations or omissions. *In re Donald J. Trump Casino Securities Lit.*, 7 F.3d 357, 371 (3d Cir.1993), cert. denied sub nom., *Gollomp v. Trump*, 510 U.S. 1178, 114 S.Ct. 1219, 127 L.Ed.2d 565 (1994); see also *Sinay v. Lamson & Sessions Co.*, 948 F.2d 1037, 1040 (6th Cir.1991); *I. Meyer Pincus & Assocs. v. Oppenheimer & Co.*, 936 F.2d 759, 763 (2d Cir.1991); *Romani v. Shearson Lehman Hutton*, 929 F.2d 875, 879 (1st Cir.1991); *Luce v. Edelstein*, 802 F.2d 49, 56 (2d Cir.1986); *Polin v. Conductron Corp.*, 552 F.2d 797, 806 n. 28 (8th Cir.), cert. denied, 434 U.S. 857, 98 S.Ct. 178, 54 L.Ed.2d 129 (1977).

¹⁹ Referenced in footnote 117 of the Petition.

leased property. As required by each of the relevant facility lease agreements, the County has rental interruption insurance available to make lease payments for up to two years while repairs are being made and certain reserves are also available to make payments to bondholders. Thus, bondholders are protected from occasional short-term disruptions in the use of the leased property, such as flooding resulting from sea level change. In addition, the County insures all of its buildings against flood damage for \$25 million per occurrence and in the aggregate property policy. This insurance would help to repair damage to the leased facilities in the event of damage resulting from a covered peril, including flooding due to sea level rise.²⁰

3. The Official Statement for the 2013 San Mateo Lease Revenue Bonds was dated July 10, 2013.²¹ These bonds are payable from lease rental payments made by San Mateo County in connection with its use and occupancy of 5 parcels of leased property and have a final maturity on July 15, 2032. According to Climate Central,²² the projected sea level rise²³ in San Mateo County by 2040 ranges from 0.8 feet (moderate) to 1.1 feet (fast rise).²⁴ Four of the five parcels of leased property related to the 2013 San Mateo Lease Revenue Bonds²⁵ are not projected to be at risk from flooding even under the fast rise scenario. In fact, they would not be expected to flood even if sea level rose by ten feet.²⁶ The fifth parcel, the County Office Building,

²⁰ See, Official Statement for 2013 San Mateo Lease Revenue Bonds at page 14-15, Official Statement for 2014 San Mateo Correctional Center Lease Revenue Bonds at pages 12-13, and the 2016 San Mateo Youth Services Lease Revenue Bonds at page 60.

²¹ See, <https://emma.msrb.org/ER684998-ER530978-ER933493.pdf>

²² See, <http://www.climatecentral.org/what-we-do#wwd> for information about Climate Central.

²³ Climate Central's analysis is based on median local sea level projections based on the intermediate scenario from NOAA Technical Report NOS CO-OPS (2017), intended for the 2018 U.S. National Climate Assessment. Sea level rise is relative to a 1992 baseline. See, https://riskfinder.climatecentral.org/place/san-mateo.ca.us?comparisonType=place&forecastName=Basic&forecastType=NOAA2017_int_p50&level=3&unit=ft

²⁴ https://riskfinder.climatecentral.org/place/san-mateo.ca.us?comparisonType=place&forecastName=Basic&forecastType=NOAA2017_int_p50&level=3&unit=ft

²⁵ County Health Center located at 222 W. 39th Street, San Mateo, CA; North County Satellite Clinic (North County Mental Health and Daly City Clinic) located at 375 89th Street, Daly City, CA; North County Crime Lab located at 50 Tower Road, San Mateo, CA; Skylonda Fire Station, located at 17290 Skyline Blvd., Woodside, CA. The County Office Building Project located at 555 County Center Road, San Mateo, CA is the exception.

²⁶ County Health Center, see, https://ss2.climatecentral.org/#16/37.5283/-122.3057?show=satellite&projections=0-K14_RCP85-SLR&level=10&unit=feet&pois=hide; North County Satellite Clinic, see, https://ss2.climatecentral.org/#16/37.6879/-122.4702?show=satellite&projections=0-K14_RCP85-SLR&level=10&unit=feet&pois=hide; County Crime Lab, see, https://ss2.climatecentral.org/#16/37.5132/-122.3324?show=satellite&projections=0-K14_RCP85-SLR&level=10&unit=feet&pois=hide; Skylonda Fire Station, see, https://ss2.climatecentral.org/#14/37.4252/-122.3011?show=satellite&projections=0-K14_RCP85-SLR&level=10&unit=feet&pois=hide.

is not projected to be at risk of flooding even if sea level rose by a foot, which is not projected to occur until years after these bonds mature.²⁷ Thus, even if this latest information from Climate Central had been known to San Mateo County in 2013, there would have been no material risk relevant to the leased property.

4. The Official Statement for the 2014 San Mateo Correctional Center Lease Revenue Bonds was dated May 6, 2014.²⁸ These bonds are payable from lease rental payments made by San Mateo County from its general fund in connection with its use and occupancy of the Maple Street Correctional Facility located in Redwood City, California. The final maturity date for these bonds is June 15, 2037. Projections of the impact of sea level rise on the Maple Street Correctional Facility indicate that a one-foot increase in sea level rise would not flood the facility.²⁹ However, absent any mitigation, local streets would be flooded by 2040 (three years after these bonds have matured) under the “fast-rise” scenario.

5. The Official Statement for the 2016 San Mateo Youth Services Lease Revenue Bonds was dated January 14, 2016.³⁰ The final bond maturity is scheduled for July 15, 2036. These bonds are payable from lease rental payments made by San Mateo County from its general fund in connection with its use and occupancy of a 40-acre site in the City of San Mateo on which the County’s Youth Services Center is located. This property is located on one of the highest points in the County and is at no risk of damage from sea level rise - even up to ten feet.³¹

6. Both the Official Statement for the 2014 San Mateo Correctional Center Lease Revenue Bonds and the Official Statement for the 2016 San Mateo Youth Services Lease Revenue Bonds included the following disclosures about the risks of sea level change affecting the County:

Risk of Sea Level Changes and Flooding

In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan

²⁷ https://ss2.climatecentral.org/#16/37.4881/-122.2294?show=satellite&projections=0-K14_RCP85-SLR&level=1&unit=feet&pois=show

²⁸ See, <https://emma.msrb.org/EA604100-EA472653-EA869138.pdf>

²⁹ Maple Street Correctional Facility, see, https://ss2.climatecentral.org/#16/37.4928/-122.2158?show=satellite&projections=0-K14_RCP85-SLR&level=1&unit=feet&pois=hide

³⁰ See, <https://emma.msrb.org/EP904517-EP701084-EP1103033.pdf>

³¹ Youth Services Center, see, https://ss2.climatecentral.org/#13/37.4998/-122.3195?show=satellite&projections=0-K14_RCP85-SLR&level=1&unit=feet&pois=hide

Transportation Commission, the California Department of Transportation, and the California Ocean Protection Council. The title of the paper is, “The Impacts of Sea-Level Rise on the California Coast.” The paper posits that increases in sea level rise will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from sea-level rise *if no actions are taken to protect the coast* [emphasis added]. The paper concluded that significant property in the State is at risk of flooding from 100-year flood events as a result of a 1.4-meter sea level rise. The paper further estimates that the replacement value of this property totals nearly \$100 billion (in 2000 dollars). Approximately one-quarter of the value of this risk is concentrated in the County, indicating that the County is particularly vulnerable to impacts associated with sea-level rise due to extensive development on its coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise development costs.

The County is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the County and the local economy. The obligation of the County to make Base Rental Payments may be abated if the Facilities or any improvements thereon are damaged or destroyed by sea-level rise or any other impacts of climate change. There can be no assurance that the Facilities would not be damaged in whole or in part by a sea-level rise or any other impacts of climate change.³²

7. San Mateo County issued a draft Sea Level Rise Vulnerability Assessment in April, 2017 and a Final Report in March, 2018, after all of the bonds in question had been issued.³³ This was the County’s first

³² I note that only one sentence of this quote was included in the Petition.

³³ San Mateo County issued a draft Sea Level Rise Vulnerability Assessment in April, 2017 and a Final Report in March, 2018. The Draft report is available at: <http://seachangesmc.com/wp-content/uploads/2015/08/Final-ALL-Compiled-Public-Draft-4-3-17-V2.pdf> and http://seachangesmc.com/wp-content/uploads/2018/03/2018-03-12_SLR_VA_Report_2.2018_WEB_FINAL.pdf. According to the 2017 San Mateo County complaint against Exxon and other fossil fuel companies, this was the County’s first analysis of its overall vulnerability to sea level rise and its impacts from permanent inundation, temporary flooding caused by

comprehensive analysis of its overall vulnerability to sea level rise and its impacts.³⁴ The securities laws do not require disclosure of information that does not yet exist and is not reasonably foreseeable. Furthermore, the study cited in the County's disclosures above was premised on a 1.4 meter (4.59 foot) rise in sea level, which is not projected to occur during the lifetime of any of the securities at issue. Issuers are generally cautious when making disclosures of potential future events in order not to risk misleading investors should the specific projections not prove accurate.³⁵

8. Because the ultimate source of lease rental payments from San Mateo County on the San Mateo Bonds is the General Fund of the County, the overall economic and financial viability of the County is of considerable importance to investors. The Official Statements for each of the San Mateo Bond Offerings provides extensive disclosure of the County's financial condition, including its audited financial statements. In addition, they include extensive disclosure of economic and demographic information regarding the County. Through the Continuing Disclosure Agreements into which it has entered for each of the San Mateo Bonds, the County has agreed each year to make publicly available³⁶ its annual audited financial statements and other specified economic and financial information. Furthermore, the County now makes extensive information available to investors and the general public evaluating its vulnerability to sea-level rise in detail and addressing potential adaptations and modifications that may be required to address it in the future.³⁷

9. Conclusion. In my opinion, based on the information I have reviewed, San Mateo County did not make an untrue statement of a material fact regarding sea level change in its disclosure documents for the 2013 San Mateo Lease Revenue Bonds, the 2014 San Mateo Correctional Center Lease Revenue Bonds or the 2016 San Mateo Youth Services Lease Revenue Bonds or omit such a material fact necessary to make the information included therein, not misleading.³⁸ Nor is there any conflict between allegations

storm events, erosion, and saltwater intrusion. The Assessment formally identified actual risks to the County expected with three feet of sea level rise, and the consequences associated with taking no action to prevent or mitigate the harms associated with those expected impacts.

³⁴ See, paragraph 171 of San Mateo County's 2017 complaint against Exxon and other fossil fuel companies.

³⁵ This is generally known as the "bespeaks caution doctrine" to the effect that if soft information in a disclosure document comes along with a cautionary language that warns the investors that the actual results or events may not occur, then the soft information may not be substantially misleading to investors.

³⁶ Through the EMMA system maintained by the Municipal Securities Rulemaking Board (available at: <https://emma.msrb.org/>).

³⁷ See, http://seachangesmc.com/wp-content/uploads/2018/03/2018-03-12_SLR_VA_Report_2.2018_WEB_FINAL.pdf.

³⁸ Although under the "fast rise" scenario, local streets near the Maple Street Correctional Facility may be flooded by 2040, it is not reasonable to assume that, with decades of lead time, the

regarding sea level rise in its 2017 complaint against Exxon and other fossil fuel companies and the Official Statements for those bonds.³⁹

San Mateo County issued bonds in 2013, 2014 and 2016. None of the leased property securing repayment of such bonds is projected to be below sea level prior to the maturity date of the related bonds. Thus, sea level rise is not expected to justify abatement of the lease payments that secure the bonds. Moreover, the County has rental interruption insurance available to make lease payments for up to two years while repairs are being made and certain reserves are also available to make payments to bondholders. Thus, bondholders are protected from occasional short-term disruptions in the use of the leased property, such as flooding resulting from sea level change.

Furthermore, the disclosure documents for the bonds San Mateo County issued in 2014 and 2016 included general disclosures regarding potential risks from sea level rise and included appropriate cautionary language about the uncertainty of whether or when flooding from sea level rise might occur and of the County's inability to predict whether such future events would have a material adverse effect on the financial condition and business operations of the County or on the local economy. This was appropriate considering (1) that the County's own draft assessment of the impact of sea level rise was not completed until 2017 - after the bonds had all been issued, (2) that substantial risks to the County from sea level rise are, even now, not projected to occur until after the maturity date of the bonds, (3) abatement and mitigation strategies may be expected to be undertaken to address flooding in the future, and (4) numerous local, state and federal resources are available to assist areas affected by climate change both in the near and long term.⁴⁰

B. County of Marin

1. The Petition alleges that Marin County failed to provide adequate warnings of certain risks presented by sea level rise in the Official Statement for \$61,540,000 Certificates of Participation (2010 Financing

County would fail to remediate this potential problem on local roads in order to be able to continue to use the facility.

³⁹ In fact, none of the information in the San Mateo County's complaint against Exxon and other fossil fuel companies regarding sea level rise specific to San Mateo County existed prior to 2017. In addition, that complaint generally referenced sea level change expected to occur by 2100, long after the maturity of the bonds in question.

⁴⁰ See, Moody's Investors Service, "Evaluating the impact of climate change on U.S. State and local issuers, November 28, 2017, available at: <http://www.southeastfloridaclimatecompact.org/wp-content/uploads/2017/12/Evaluating-the-impact-of-climate-change-on-US-state-and-local-issuers-11-28-17.pdf> [Noting, in part, that U.S. municipal issuers benefit from local state and federal processes to help areas affected by climate shock manage the immediate physical impacts of extreme weather and may access a variety of resources to expedite the long-term recovery of their economic base.]

Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the County of Marin, California, as the Rental for Certain Property Pursuant to a Lease Agreement with the Marin County Capital Improvements Financing Authority, dated September 28, 2010 (the “2010 Marin Lease COPs”).⁴¹

2. The 2010 Marin Lease COPs are payable from lease payments on property comprising the Marin Civic Center complex, located at the northeast corner of the intersection of Highway 101 and North San Pedro Road on County-owned property within the City of San Rafael, California (the “Property”). According to projections by Climate Central, San Rafael is projected to have a sea level rise of 0.8 feet (medium scenario) to 1.1 feet (fast rise scenario) by 2040.⁴² (The 2010 Marin County COPs had a final maturity of 2040.) However, the Property is at no risk of flooding until seas have risen by more than six feet.⁴³

3. The known risks of sea level rise to Marin County were uncertain in 2010⁴⁴ and the County had not yet identified adaptation and mitigation strategies and their costs.⁴⁵ The only disclosures that it could have made at that point in time would have been so vague as to be essentially meaningless to investors. While the likelihood that there would be some impact from sea level rise on a coastal area, such as Marin County’s, was obvious, the scope and magnitude of its impact was uncertain and inadequate to allow for a reasonable presentation of the foreseeable direct and indirect effects that sea level rise might entail.

⁴¹ This official statement is available at: <https://emma.msrb.org/EA427434-EA332238-EA728082.pdf>

⁴² See, https://riskfinder.climatecentral.org/place/san-rafael.ca.us?comparisonType=place&forecastName=Basic&forecastType=NOAA2017_inthi_p50&level=3&unit=ft

⁴³ See, https://ss2.climatecentral.org/#15/38.0027/-122.5386?show=satellite&projections=0-K14_RCP85-SLR&level=3&unit=feet&pois=show

⁴⁴ In fact, the County has identified only one report related to sea level rise on or prior to 2010: a 2008 ecosystem restoration plan for Bolinas Bay, which had minimal discussion of sea level rise and the effects discussed were limited to Bolinas Bay and not relevant to the leased property.

⁴⁵ Marin County prepared two Sea Level Rise Vulnerability Assessments – one for its ocean coast (CSMART) and one for its bay shoreline (BayWAVE). According to the County, CSMART planning began in 2014, the draft report was released in November 2015 and the final report was presented to the County Board in February 2018. BayWAVE planning began in 2015, the draft report was released in April 2017 and the final report was presented to the County Board in June 2017. According to the Marin County complaint against Exxon and other fossil fuel companies (filed July 17, 2017), these assessments are the County’s first analyses of the County’s overall vulnerability to sea level rise and its impacts, including permanent inundation, temporary flooding, erosion, and saltwater intrusion. The Assessments formally identify actual risks to the County with sea level rise expected by the end of the 21st Century, and the consequences associated with taking no action to prevent or mitigate the harms associated with those risks.

4. Because the ultimate source of payment on the Marin County Lease COPs is from the General Fund of the County, the overall economic and financial viability of the County is of considerable importance to investors. The Official Statements for the Marin County Lease COPs provided extensive disclosure of the County's financial condition, including its audited financial statements. In addition, they included extensive disclosure of economic and demographic information regarding the County.⁴⁶ Through the Continuing Disclosure Agreements into which it has entered for the Marin County Lease COPs, the County has agreed each year to make publicly available⁴⁷ its annual audited financial statements and other specified economic and financial information.⁴⁸ Furthermore, the County now makes extensive information available to investors and the general public evaluating its vulnerability to sea-level rise in detail and addressing potential adaptations and modifications that may be required to address it in the future.⁴⁹

5. Conclusion. In my opinion, based on the information I have reviewed, Marin County did not make an untrue statement of a material fact regarding sea level change in its disclosure documents for the 2010 Marin Lease COPs or omit such a material fact regarding sea level change necessary in order to make the information included therein, not misleading. Nor is there a conflict between allegations in its complaint and the Official Statement for the 2010 Marin County COPs.⁵⁰

The 2010 Marin County COPs were issued before specific projections of the impact of sea level rise relevant to Marin County were available. The securities laws do not require disclosure of information that does not yet exist. Furthermore, the property financed with the proceeds of the COPs is projected to be at no risk of flooding prior to the maturity date of the COPs. Thus, even had detailed sea level rise information been available when its COPs were issued, there would have been no risk to disclose, as sea level rise would not have provided a basis for the County to abate the lease payments that secure the COPs.

C. County of Santa Cruz

1. The Petition alleges that Santa Cruz County's Official Statements were inadequate regarding sea-level change for its \$815,000

⁴⁶ <https://emma.msrb.org/EP866344-ER699871-ER1101416.pdf>

⁴⁷ Through the EMMA system maintained by the Municipal Securities Rulemaking Board (available at: <https://emma.msrb.org/>).

⁴⁸ See, <https://emma.msrb.org/EP866344-ER699871-ER1101416.pdf>

⁴⁹ See, <https://www.marincounty.org/main/marin-sea-level-rise>

⁵⁰ In fact, none of the information in Marin County's 2017 complaint against Exxon and other fossil fuel companies regarding sea level rise specific to Marin County existed in 2010. In addition, that complaint generally referenced sea level change expected to occur by 2100, long after the maturity of the bonds in question.

County of Santa Cruz Limited Obligation Improvement Bonds Assessment District No. 15-01 (Orchard Drive Sewer Extension Project) (the “2016 Santa Cruz County Sewer Extension Bonds”) and \$47,000,000 2017-2018 Tax and Revenue Anticipation Notes (the “2017 Santa Cruz County TRANS”).

2. The 2016 Santa Cruz County Sewer Extension Bonds are payable from assessments made on 23 parcels of real property encompassing approximately 7 acres in an unincorporated area known as “Graham Hill.” All of the assessed property is located at an elevation that would not be affected by even a ten-foot rise in sea level, which is not predicted to occur prior to 2100 even using the most extreme scenario.⁵¹ Nor are any of the parcels located in a critical wildfire hazard area.⁵² Furthermore, they are payable from assessments to be paid by the private landowners of the assessed property, making the impact of sea level rise on the County itself immaterial.

3. The Official Statement for the 2017 Santa Cruz County TRANS was dated June 6, 2017, and the TRANS all mature on June 28, 2018. They are general obligations of the County issued for cash flow purposes and payable from unrestricted taxes, income, revenue, cash receipts, and other moneys of the County received or attributable to the 2017/2018 fiscal year and lawfully available. Total proposed budgeted receipts of the County for FY 2017/18 totaled \$473,087,123. The risk of financial devastation to the County (reducing its revenues by more than 90%) as a result of sea level rise during this approximately one-year period was, in my opinion, not material to investors due to the extreme unlikelihood of an occurrence of this magnitude in such a short period of time. Note that the projection for sea level rise in the County by 2020 is 0.7 feet using the most extreme scenario. Furthermore, according to Climate Central, only 0.1 square miles of land in the County that isn’t potentially protected by levees or other flood control structures lies below 2 feet of elevation.⁵³

4. Conclusion. In my opinion, based on the information I have reviewed, Santa Cruz County did not make an untrue statement of a material fact regarding sea level change or wildfire in its disclosure documents for the 2016 Santa Cruz County Sewer Extension Bonds or the 2017 Santa Cruz County TRANS or omit such a material fact necessary in order to make the information included therein, not misleading. Nor is there any conflict between allegations regarding sea level rise in its Complaint and the Official Statements for such bonds and notes.

⁵¹ See, https://ss2.climatecentral.org/#16/37.0137/-122.0342?show=satellite&projections=0-K14_RCP85-SLR&level=10&unit=feet&pois=hide

⁵² Santa Cruz County, Local Hazard Mitigation Plan, p. 59.

⁵³ See, https://riskfinder.climatecentral.org/county/santa-cruz-county.ca.us?comparisonType=place&forecastName=Basic&forecastType=NOAA2017_int_p50&impact=Land&impactGroup=Land&level=3&unit=ft

The 2016 Santa Cruz County Sewer Extension Bonds are secured by property that is not projected to be at any risk from sea level rise or wildfire. Furthermore, they are payable from assessments against private property, making any future impact of sea level rise on the financial condition of the County itself irrelevant. The 2017 Santa Cruz County TRANS matured within 13 months from their issuance. Sea level rise is, by its nature, a long-term problem, which could not reasonably be expected to affect the repayment of the TRANS. Thus, in both cases, there were no material facts to disclose regarding sea level rise or wildfire relevant to these securities

D. City of Imperial Beach

1. The City of Imperial Beach issued two series of bonds cited in the Petition: (1) \$21,595,000 Imperial Beach Redevelopment Agency 2010 Tax Allocation Bonds (Palm Avenue/Commercial Redevelopment Project) (the “2010 Imperial Beach Tax Allocation Bonds”) and (2) \$17,260,000 Imperial Beach Redevelopment Agency Successor Agency (Palm Avenue/Commercial Redevelopment Project) 2013 Tax Allocation Refunding Bonds (the “2013 Imperial Beach Refunding Bonds”). The purpose of the 2013 Imperial Beach Refunding Bonds was to refund (i.e., refinance) the 2010 Imperial Beach Tax Allocation Bonds.

2. Both the 2010 Imperial Beach Tax Allocation Bonds and the 2013 Imperial Beach Refunding Bonds (the “Imperial Beach Bonds”) were payable from certain property tax increment revenues derived from property located in an area designated as the Palm Avenue/Commercial Redevelopment Project Area (the “Project Area”) and are not payable from the general fund or other revenues of Imperial Beach. The Project Area encompasses essentially all of the City of Imperial Beach. However, the City is not liable for repayment of the Imperial Beach Bonds.

3. The Official Statement for the 2010 Imperial Beach Tax Allocation Bonds was dated November 4, 2010.⁵⁴ These bonds had a final maturity date of June 1, 2040. The Official Statement for the 2013 Imperial Beach Refunding Bonds was dated November 19, 2013.⁵⁵ These bonds had a final maturity date of June 1, 2033. Neither document included disclosures specific to the risk of sea level rise.

4. The City completed a sea level rise vulnerability assessment in September 2016. According to that report, although a sea level rise of 1.6 feet or more would negatively affect large portions of the City, the “worst-case scenario” for sea level rise projects a 1.6 foot increase to be reached in 2047

⁵⁴ See, <https://emma.msrb.org/EP480808-EP374955-EP771885.pdf>

⁵⁵ See, <https://emma.msrb.org/EP782507-EP606121-EP1007572.pdf>

assuming no mitigation or adaptation efforts.⁵⁶ Climate Central projects sea level rise in Imperial Beach to range from 1 foot (medium scenario) to 1.4 feet (fast rise scenario) – by 2040. Furthermore, even assuming a 2-foot sea level rise, only 0.1 square miles of land in the City that isn't potentially protected by levees or other flood control structures is below two feet of elevation.⁵⁷

5. The Petition excerpts several statements about sea level rise risks and consequences from a July 20, 2017 opinion piece written by Imperial Beach Mayor Serge Dedina.⁵⁸ It then asserts that this “litany of climate change risks [and ‘tremendous costs’ were] notably absent from Imperial Beach’s bond offerings.”⁵⁹ All of the excerpted statements were derived from the City’s 2016 Sea Level Assessment. As a result, that information could not have been included in either the 2010 or 2013 bond offerings because it did not yet exist.

6. Conclusion. In my opinion, based on the information I have reviewed, the City of Imperial Beach did not make an untrue statement of a material fact regarding sea level change in its disclosure documents for the 2010 Imperial Beach Tax Allocation Bonds and the 2013 Imperial Beach Refunding Bonds or omit such a material fact necessary in order to make the information included therein, not misleading. Nor is there a conflict between allegations in its Complaint and the Official Statements for the 2010 Imperial Beach Tax Allocation Bonds or the 2013 Imperial Beach Refunding Bonds.⁶⁰

At the time the 2010 Imperial Beach Tax Allocation Bonds and the 2013 Imperial Beach Refunding Bonds were issued, information concerning the specific impact of sea level rise on the City was not yet available. Issuers are not obligated to disclose information that does not yet exist. Furthermore, had such information been available, it might reasonably have been considered immaterial to investors because significant negative impacts on the City are not projected to occur until after the final maturity of the bonds in question.

⁵⁶ See, Table 1-1, 2016 City of Imperial Beach Sea Level Rise Assessment (the “Imperial Beach Assessment”), available at: [http://www.imperialbeachca.gov/vertical/sites/%7B6283CA4C-E2BD-4DFA-A7F7-8D4ECD543E0F%7D/uploads/100516_IB_Sea_Level_Rise_Assessment_FINAL\(1\).pdf](http://www.imperialbeachca.gov/vertical/sites/%7B6283CA4C-E2BD-4DFA-A7F7-8D4ECD543E0F%7D/uploads/100516_IB_Sea_Level_Rise_Assessment_FINAL(1).pdf)

⁵⁷ See, https://riskfinder.climatecentral.org/place/imperial-beach.ca.us?comparisonType=place&forecastName=Basic&forecastType=NOAA2017_inthi_p50&impact=Land&impactGroup=Land&level=2&unit=ft#threat-forecast

⁵⁸ Dedina, Serge. “Fossil fuel industry should pay for rising sea level”, San Diego Union-Tribune (July 20, 2017). <http://www.sandiegouniontribune.com/opinion/commentary/sd-utbg-fossil-fuels-lawsuit-20170720-story.html>

⁵⁹ Petition, at pp. 32-33 ¶ 76.

⁶⁰ In fact, none of the information in the City of Imperial Beach’s 2017 complaint against Exxon and other fossil fuel companies regarding sea level rise specific to the City of Imperial Beach existed in 2013.

E. City of Santa Cruz

1. The Petition cited one bond issue by the City of Santa Cruz: \$11,035,000 City of Santa Cruz Public Financing Authority 2017 Refunding Lease Revenue Bonds (the "2017 Santa Cruz Lease Revenue Bonds"). The Official Statement for the 2017 Santa Cruz Lease Revenue Bonds was dated March 22, 2017.⁶¹ The final maturity of these bonds is November 1, 2037. Lease rental payments on the City's Police Station⁶² are pledged to pay the 2017 Santa Cruz Lease Revenue Bonds.

2. The Official Statement for the 2017 Santa Cruz Lease Revenue Bonds includes a discussion (under the heading "Certain Risk Factors") of the risks of Natural Calamities, including flooding, earthquakes, tsunamis and wildfire. While sea level rise is not specifically mentioned, the risks from its primary impact, i.e., flooding, is disclosed to bondholders. Specifically, the Official Statement said (under the sub-heading "Natural Calamities"):

Flood. There are several areas subject to flooding in the City. The San Lorenzo River runs through the downtown corridor and the majority of the downtown area is in the San Lorenzo floodplain; as a result, 18 floods, eight of which have been considered severe, have occurred over the last 10 decades. The San Lorenzo River Levee Project significantly reduced the risk of flooding in the downtown area. However, the downtown and beach areas are still designated as floodplains.

Flooding along the coast of the City may occur with the simultaneous occurrence of large waves and storm swells during the winter. Storm centers from the southwest produce the type of storm pattern most commonly responsible for the majority of serious coastline flooding. The strong winds combined with high tides that create storm surges are also accompanied by heavy rains. When storms occur simultaneously with high tides, flood conditions including flooding at the mouth of the San Lorenzo River are exacerbated.

There are several smaller creeks in the City that are subject to periodic flooding. Flooding is a hazard on the lower reaches of Moore Creek where only shallow stream channels are present, the lower portion of Arana Gulch, north of Santa

⁶¹ See, <https://emma.msrb.org/EP990879-EP768263-EP1170021.pdf>

⁶² Located at 155 Center Street, Santa Cruz, CA

Cruz Yacht Harbor, and among portions of Branciforte and Carbonara creeks. In these areas there is minimal impact on public structures and facilities and only a few residential structures are within these flood zones. There can be no guarantee a flood in the future would not damage the Leased Property.

3. The City's sea level rise by 2040 is projected to be 0.9 feet (medium scenario) to 1.2 feet (fast rise scenario).⁶³ The City's Police Station is not projected to be at risk from even a five-foot sea level rise.⁶⁴ Thus, there should be no direct impact on repayment of the 2017 Santa Cruz Lease Revenue Bonds from sea level rise.⁶⁵

4. According to the City's Draft Climate Adaptation Plan update (2017-2022), absent mitigation and adaptation efforts by the City, major portions of the City would be affected by sea level rise and other effects of climate change in the coming decades. These effects could, if ignored or poorly managed by the City, have an adverse effect on the City's economic and financial condition and might indirectly affect repayment of the Bonds. However, an evaluation of materiality requires an evaluation of the reasonable foreseeability of an event. Given the City's efforts to evaluate, mitigate and adapt to the impacts of sea level rise, in my opinion, it is not reasonably foreseeable that the City would suffer indirect effects from sea level rise of such a magnitude to cause the City to cease paying for use of its Police Station in the next twenty years (i.e., prior to the maturity date of the 2017 Santa Cruz Lease Revenue Bonds).

5. Conclusion. In my opinion, based on the information I have reviewed, the City of Santa Cruz did not make an untrue statement of a material fact regarding sea level change in its disclosure documents for the 2017 Santa Cruz Lease Revenue Bonds or omit such a material fact necessary to make the information included therein, not misleading. Nor is there any conflict between allegations in its complaint concerning sea level rise and the Official Statement for such bonds.

First, sea level rise would not provide a reason for the City to abate making payments on the Bonds because the leased property is not projected to be affected by sea level rise during the life of the Bonds due to its elevation. Furthermore, it is unreasonable to assume that the City will take

⁶³ See, https://riskfinder.climatecentral.org/place/santa-cruz.ca.us?comparisonType=place&forecastName=Basic&forecastType=NOAA2017_intl_p50&level=3&unit=ft

⁶⁴ See, https://ss2.climatecentral.org/#16/36.9678/-122.0292?show=satellite&projections=1-K14_RCP85-SLR&level=5&unit=feet&pois=hide

⁶⁵ Furthermore, the City's 2017 draft Climate Adaptation Plan shows that the police station is outside the *combined hazard zones* (rising tide + coastal storm flooding + erosion) until 2060.

no steps in the future to adapt or mitigate the projected effect of sea level rise on the City as a whole and will allow itself to become essentially insolvent and unable to make timely payments on the Bonds in the next twenty years. Sea level rise is a known long-term problem, and the City has undertaken significant efforts to evaluate, mitigate, and adapt to it. Finally, the official statement for the 2017 Santa Cruz Lease Revenue Bonds does, in fact, include an extensive discussion of the risks of flooding to the City in general.

Appendix I

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Employment History

Solo practice, 2012 - present: serving as an expert witness and consultant in matters related to the securities law of municipal finance, including applicable SEC, MSRB and FINRA rules, and representing local governments, public companies and non-profit organizations on a variety of matters.

Adjunct Professor of Law, Indiana University Maurer School of Law, 2013 - 2016: taught "Municipal Finance Law."

Adjunct Professor of Law, Georgetown University Law School, Spring Term, 2011: taught "Public Finance: Tax and Securities Law Aspects" in the LL.M. Program.

U.S. Securities and Exchange Commission:

- *January 2001 - June 2011:* Assistant Director and Chief, Office of Municipal Securities, Division of Trading and Markets, U.S. Securities and Exchange Commission, Washington, D.C. Retired June 30, 2011.
- *August 1999 - January 2001:* Attorney-Fellow, Office of Municipal Securities, U.S. Securities and Exchange Commission, Washington, D.C.

As head of the Office of Municipal Securities (OMS), I coordinated the Securities and Exchange Commission's (SEC) municipal securities activities, advised the Commission on policy matters relating to the municipal bond market and developed and implemented major SEC initiatives in the municipal securities area, such as the creation of the MSRB's Web-based Electronic Municipal Market Access (EMMA) system, the 2008 and 2010 revisions to Exchange Act Rule 15c2-12, the registration of municipal advisors, and implementation of various other Dodd-Frank requirements related to the municipal market. In addition, I assisted and advised Commission Offices and Divisions on a wide array of municipal securities matters, such as enforcement actions, inspections and examinations, rules for mutual funds that invest in municipal securities, governmental accounting issues and legislation. I testified on behalf of the Commission to the House Financial Services Committee and interacted with, and made speeches and presentations to, many municipal securities industry groups to impart an understanding of the Commission's policies and to foster communication concerning current industry issues. I supervised OMS staff in the review and processing of rule filings of the Municipal Securities Rulemaking Board (MSRB) and acted as the Commission's primary liaison with the MSRB, FINRA, the Internal Revenue Service Office of Tax-Exempt Bonds and officials in the Treasury Department and Office of the Comptroller of the Currency tasked with municipal securities matters.

Private Practice of Law, 1978 - 1999: While at the following firms, I served as bond counsel, underwriter's counsel, issuers counsel, borrower's counsel, and counsel to credit providers on municipal bond offerings in multiple states and as an expert witness.

- 1997 - 1999: Partner, Public Finance Department, Barnes and Thornburg, Chicago, Illinois
- 1986 - 1997: Partner, Municipal Securities Department, Altheimer and Gray, Chicago, Illinois
- 1978 - 1986: Associate and Participating Partner, Municipal Securities Department, Chapman and Cutler, Chicago, Illinois

Law Licenses, Admissions to Practice and Qualifications

- State: Licensed to practice law in the State of Illinois and the District of Columbia
- Federal: Admitted to practice before the U.S. Supreme Court and the U.S. Court of Appeals for the Northern District of Illinois
- Qualified FINRA Arbitrator

Awards and Memberships

- Lifetime Achievement Award, Women in Public Finance, 2011
- Special resolution in recognition of accomplishments from the Municipal Securities Rulemaking Board, 2011
- SEC Chairman's Law and Policy Awards, 2008, 2010 and 2011
- Award from the National Federation of Municipal Analysts, 2005
- Award to Office of Municipal Securities from the American Bar Association's Division of State and Local Government Law, 2001
- Member, National Association of Bond Lawyers

Education

- J.D., The University of Michigan Law School, Ann Arbor, Michigan, 1977
- B.A., *magna cum laude*, History major, Wayne State University, Detroit, Michigan, 1972 - 1974
- University of Utah, Salt Lake City, Utah, 1970 - 1972

Appendix II **Climate Central**

While preparing this report, I made use of Climate Central’s *Surging Seas Risk Finder*⁶⁶ to obtain projections of sea level rise in particular locations. This interactive toolkit includes maps, local sea level and flood risk projections, and potential impacts for population, land, and, depending upon location, other variables.

Climate Central⁶⁷ is a non-profit research and journalism organization providing authoritative science-based information to help the public and policymakers make sound decisions about climate and energy.

Climate Central surveys and conducts scientific research on climate change and informs the public of key findings. Climate Central scientists publish and its journalists report on climate science, energy, sea level rise, wildfires, drought, and related topics. Climate Central is not an advocacy organization. It does not lobby, and does not support any specific legislation, policy or bill. Climate Central is a qualified 501(c) 3 tax-exempt organization.

Additional information about Climate Central available from other sources supports the description of the organization and its work found on Climate Central’s website.⁶⁸

⁶⁶ Available at: <https://riskfinder.climatecentral.org/>

⁶⁷ The information in this appendix is derived from Climate Central’s webpage: www.climatecentral.org and has not been independently verified.

⁶⁸ See, e.g., “A One Stop Shop for Climate Information,” Columbia Journalism Review, December 8, 2008, available at: https://archives.cjr.org/the_observatory/climate_central.php; Media Bias/Fact Check, LLC ranks Climate Central as “Pro-Science” and in the Very High category for factual reporting. It also notes that while Climate Central is evidence based, it has a leftward political bias through criticism of Republican policy. See, also, information available at: <https://mediabiasfactcheck.com/climate-central/>; The Center for Media and Democracy’s “Source Watch” available at: https://www.sourcewatch.org/index.php/Climate_Central#cite_note-2.