



**FORMER SEC OFFICIAL DEBUNKS
FOSSIL FUEL INDUSTRY MISINFORMATION**
*New Report Undercuts Industry-Backed Campaign
to Delay, Deceive, and Deny Responsibility for Climate Damages*

FOR IMMEDIATE RELEASE
April 30, 2018

FOR FURTHER INFORMATION:
See Contacts Below

A detailed analysis of municipal bond disclosures, which refutes claims made by Exxon, the National Association of Manufacturers (NAM), and others was sent to the U.S. Securities and Exchange Commission (SEC) today by five cities and counties who are seeking to hold fossil fuel companies accountable for climate change damages.

The analysis was conducted by Martha Mahan Haines, who headed the SEC's Office of Municipal Securities from 2001 – 2011, after more than 20 years in private practice as a municipal bond attorney.

The Haines Report confirms both that the risk disclosures included with certain recent municipal bond offerings by the five local governments were in compliance with federal securities laws, as well as that there is no discrepancy between those disclosures and the plaintiffs' lawsuits against Exxon and others. In doing so, the report debunks an aggressive misinformation campaign regarding the bonds and lawsuits that has been led by NAM and its Manufacturers Accountability Project (MAP). The report concludes in part:

1. *None of the Municipal Governments either made an untrue statement of a material fact regarding sea level change or, where relevant, climate change in their respective disclosure documents for the securities offerings identified in [Exxon's] 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.*

Exxon first made its allegations about a conflict between the lawsuits and the bond offerings in a petition filed in Texas court in January. NAM and the Competitive Enterprise Institute (CEI) subsequently sent letters to the SEC asking for an investigation into these manufactured allegations. NAM President Jay Timmons recently amplified the baseless claims on a radio talk show in Boston, while NAM, MAP and their surrogates have been blogging and tweeting their false charges for months.

In a joint statement, the five communities called out the “inaccurate, irresponsible, and meritless allegations” from NAM and others:

[I]t is the CEI and NAM who have recklessly made inaccurate, irresponsible, and meritless claims about our bond offerings, both in their letters to the SEC and in their wide-ranging public relations campaign. If CEI and NAM had any interest in the truth, they would have conducted at least some due diligence before making unfounded accusations. Their incorrect and misleading claims of “possible bond fraud” and a “violation of 15 U.S.C. § 77q(a)(2)” make it clear that they are joining Exxon in a public relations campaign in response to the numerous municipal lawsuits filed against Exxon and other fossil fuel companies over the past nine months.

Instead of levelling specious attacks at cities and counties that are standing up for their residents, workers, and businesses, NAM and CEI should be telling their oil, gas, and coal company members and funders to be more honest about their own risk disclosures and to take responsibility for the damage they are knowingly causing in communities like ours.

This is just another well-funded, choreographed public relations scheme from the fossil fuel industry. It is designed to delay the legal process, deceive the public, and deny responsibility for what they’ve done. It’s the same playbook they’ve used for 30 years when it comes to climate change and its consequences, and it’s why our communities are dealing with very real and very expensive measures to protect our residents, workers, and businesses from rising seas and other climate change-related damages today.

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Attachment: Letter to SEC and Haines Report

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