

MUNICIPAL ANALYSTS FORUM

A Publication of the National Federation of Municipal Analysts

January 1984

TO THE MEMBERS OF THE NATIONAL FEDERATION OF MUNICIPAL ANALYSTS:

I would like to take this opportunity, the initial publication of our quarterly Municipal Analysts Forum, to welcome members to the newly formed National Federation of Municipal Analysts. As you will read in more detail in other sections of the Forum, the Federation will strive to improve professional stature of municipal credit analysts and foster communication among its members. I believe it is in everyone's best interest to participate to the fullest extent possible in the development of the Federation, particularly through participation in the various committees. I would also encourage members to voice their opinions on the proposed Constitution and Code of Ethics and to make recommendations to your local representatives on how we may best serve as a conduit for information to our members.

An important function for the Federation, and the one that can be addressed immediately, is the recruiting of members outside of regional society boundaries and the subsequent dissemination of information to them concerning regional and national activities. If anyone knows any people we may contact to either establish new regional societies or become individual members of the National Federation, please contact Richard Ciccarone at (312) 369-8880 ext. 286.

CALENDAR

CHICAGO MUNICIPAL ANALYSTS SOCIETY

The Chicago Municipal Analysts Society is hosting the first National Federation meeting on 17 May 1984, the theme being Municipal Credit Analysis in a post-WPPSS Environment. The meeting will open with a cocktail reception on the evening of May 16th. Optional sessions will be held at no extra charge on 18 May 1984. The conference fee and details will be announced in the April issue of the Forum. For information contact: Jack R. Simmons (312) 732-4531.

SOUTHERN MUNICIPAL FINANCE SOCIETY

The Southern Municipal Finance Society will hold its spring meeting 25-27 April 1984 in Washington, D.C. Reservations should be made directly with the Capitol Holiday Inn, 550 C Street SW, (202) 479-4000, or, if there are problems, through Debbie Martinez (804) 649-3930.

Special thanks go to many people who were actively involved in the formation of the National Federation. Their time and effort has been greatly appreciated. Among them are the following who have agreed to serve on the Board of Governors:

Richard A. Ciccarone
American Portfolio Advisory Service
Chicago Municipal Analysts Society

Melinda Allen Crosby
North Carolina National Bank
Southern Municipal Finance Society

Paul R. Daniels
John Nuveen & Co. Incorporated
Chicago Municipal Analysts Society

Lisa S. Good
Pittsburgh National Bank
Affiliated Individual Analysts

Lydia J. Long
Alex Brown & Sons
Southern Municipal Finance Society

William J. McCarthy
Fitch Investors Services, Inc.
Municipal Analysts Group of New York

Jeffrey B. Noss
Roosevelt & Cross, Incorporated
Municipal Analysts Group of New York

William J. Poutsiaka
Liberty Mutual Insurance Company
Boston Municipal Analysts Forum

Donna M. Simonetti
First Albany Corporation
Boston Municipal Analysts Forum

Thaddeus P. Vannice
Continental Illinois National Bank and
Trust Company of Chicago
Chicago Municipal Analysts Society

I am looking forward to meeting as many members as possible at our first National Convention to be held in conjunction with the Chicago Municipal Analysts Society meeting in the Spring of 1984.

George Gregorio
Chairman, NFMA

FORUM

LETTER FROM THE EDITOR

Since the early planning stages of the National Federation, there has been attention given to a publication directed specifically to municipal analysts. The Municipal Analysts Forum is the result. The Forum will maintain a calendar of events, an employment opportunities section, and news of the societies constituting the Federation. Further, the Publications Committee anticipates including in each issue at least one article of current interest, written by a member of the Federation, or by a non-Federation member when appropriate, which would speak to issues of concern to the municipal analyst. A Letters section will provide for responses and, we hope, debate.

An example of the kind of issue that might be examined through the Forum has arisen from the Board's task of developing wording for the Federation's Constitution and its Code of Ethics. A number of the drafts of each were discussed by the Board before the documents presented to you in this issue were completed. Article VI, Section B in the Code of Ethics now reads:

Maintenance of Objectivity: The municipal analyst, whether individually or as a member of a group, shall use particular care and good judgment to achieve and maintain objectivity.

However, a draft once read:

Maintenance of Independence and Objectivity: The municipal analyst, in relationships and contacts with an issuer of securities, whether individually or as a member of a group, shall use particular care and good judgment to achieve and maintain independence and objectivity.

The underlying issue was whether a municipal analyst is independent, and if so, independent of whom. It will be through the organization's membership that similar questions may be raised. The Municipal Analysts Forum will be as strong or as weak as the interest generated by the Federation's constituency.

Katherine R. Bateman, Editor

**FUTURE SITE OF
LETTERS TO THE EDITOR**

**CODE OF ETHICS
OF THE NATIONAL FEDERATION
OF MUNICIPAL ANALYSTS**

A municipal analyst should conduct himself* with integrity and dignity and act in an ethical manner in his dealings with the public, clients, customers, employers, employees, and fellow analysts.

A municipal analyst should conduct himself and should encourage others to practice municipal analysis in a professional and ethical manner that will reflect credit on himself and his profession.

A municipal analyst should act with competence and should strive to maintain and improve his competence and that of others in the profession.

A municipal analyst should use proper care and exercise independent professional judgment.

Members of the National Federation of Municipal Analysts are obligated to conduct their professional activities in accordance with the following specific provisions:

I. OBLIGATION TO INFORM EMPLOYER OF CODE

The municipal analyst shall inform his employer, through his direct supervisor, that the analyst is obligated to comply with the Code of Ethics.

II. COMPLIANCE WITH GOVERNING LAWS AND REGULATIONS AND THE CODE OF ETHICS

A. Required Knowledge and Compliance

The municipal analyst shall maintain knowledge of and shall comply with all applicable laws, rules and regulations of any government, governmental agency, and regulatory organization governing his professional activities, as well as with this Code of Ethics.

B. Prohibition Against Assisting Legal and Ethical Violations

The municipal analyst shall not knowingly participate in, or assist, any acts in violation of any statute or regulation governing securities matters, nor any act which would violate any provision of the Code of Ethics.

C. Prohibition Against Use of Material Non-Public Information

The municipal analyst shall comply with all laws and regulations relating to the use of material non-public information. (a) If the analyst acquires such information as a result of a special or confidential relationship with the issuer, he shall not communicate the information (other than within the relationship), or take investment action on the basis of such information, until it is publicly disseminated. (b) If the analyst is not in a special or confidential relationship with the issuer, he shall not communicate or act on material non-public information until it is publicly disseminated, and shall make reasonable efforts to achieve public dissemination of such information by the issuer.

D. Responsibilities of Supervisors

A municipal analyst with supervisory responsibility shall exercise reasonable supervision over those subordinate employees subject to his control, to prevent any violation by such persons of applicable statutes, regulations, or provisions of the Code of Ethics. In so doing the analyst is entitled to rely upon reasonable procedures established by his employer.

III. RESEARCH REPORTS, INVESTMENT RECOMMENDATIONS AND ACTIONS

A. Reasonable Basis

The municipal analyst shall exercise diligence and thoroughness in making an investment recommendation to others or in taking an investment action for others.

The municipal analyst shall have a reasonable and adequate basis for such recommendations and actions, supported by appropriate research and investigation.

The municipal analyst shall maintain appropriate records to support the reasonableness of such recommendations.

B. Research Reports

The municipal analyst shall use reasonable judgment as to the inclusion of relevant factors in research reports.

The municipal analyst shall distinguish between facts and opinions in research reports.

The municipal analyst shall indicate the basic characteristics of the investment involved when preparing for general public distribution a report that is not directly related to a specific portfolio or client.

C. Portfolio Investment Recommendations and Actions

The municipal analyst shall, when making an investment recommendation or taking an investment action for a specific portfolio or client, consider its appropriateness and suitability for such portfolio or client. In considering such matters, the municipal analyst shall take into account (a) the needs and circumstances of the client, (b) the basic characteristics of the total portfolio, and (c) the basic characteristics of the investment involved. The municipal analyst shall use reasonable judgment to determine the applicable relevant factors. The municipal analyst shall distinguish between facts and opinions in the presentation of investment recommendations.

D. Prohibition Against Plagiarism

The municipal analyst shall not, when presenting material to his employer, associates, customers, clients, or the general public, copy or use in substantially the same form, material prepared by other persons without acknowledging its use and identifying the name of the author or publisher of such material. The analyst may, however, use without acknowledgment factual information published by recognized financial and statistical reporting services or similar sources.

E. Prohibition Against Misrepresentation

The municipal analyst shall not make any statements, orally or in writing, which materially misrepresent (a) the services that the analyst or his firm is capable of performing for the client, (b) the qualifications of such analyst or his firm, (c) the investment performance that the analyst or his firm has accomplished or can reasonably be expected to achieve for the client, or (d) the expected performance of any investment. The municipal analyst shall not make any unsupported statement regarding the foregoing, and shall not make any statement, orally or in writing, about any investment which guarantees or conveys any unsupported assurances, explicitly or implicitly.

F. Fair Dealing with Customers and Clients

The municipal analyst shall act in a manner consistent with his obligation to deal fairly with all customers and clients when (a) disseminating investment recommendations, (b) disseminating material changes in prior investment advice, and (c) taking investment action.

IV. PRIORITY OF TRANSACTIONS

The municipal analyst shall conduct himself in such a manner that transactions for his customers, clients, and employer have priority over personal transactions and so that his personal transactions do not operate adversely to their interests. If an analyst decides to make a recommendation about the purchase or sale of a security he shall give his customers, clients, and employer adequate opportunity to act on this recommendation before acting on his own behalf.

V. DISCLOSURE OF CONFLICTS

The municipal analyst, when making investment recommendations, or taking investment actions, shall disclose to his customers and clients any material conflict of interest relating to him and any material beneficial ownership of the securities involved, which could reasonably be expected to impair his ability to render unbiased and objective advice.

The municipal analyst shall disclose to his employer all matters which could reasonably be expected to interfere with his duty to the employer, or with his ability to render unbiased and objective advice.

The municipal analyst shall also comply with all requirements as to disclosure of conflicts of interest imposed by law and by rules and regulations of organizations governing his activities and shall comply with any prohibitions on his activities if a conflict of interest exists.

VI. RELATIONSHIPS WITH OTHERS

A. Preservation of Confidentiality

The municipal analyst shall preserve the confidentiality of information communicated by the

analyst receives information concerning illegal activities on the part of the client.

B. Maintenance of Objectivity

The municipal analyst, whether individually or as a member of a group, shall use particular care and good judgment to achieve and maintain objectivity.

* Masculine personal pronouns, used throughout the Code to simplify sentence structure, shall apply to all persons, regardless of sex.

ANNOUNCEMENT

NEW SOCIETY FORMED

The Hartford Municipal Analysts Society, representing analysts in the state of Connecticut, was formed in December after several months of research and preparation. The organization is dedicated to professional development in the municipal area. The members will meet monthly with outside speakers in the field of municipal credit analysis and finance. For further information contact Janis Strong, Aetna Life and Casualty Co., 151 Farmington Avenue, A611, Hartford, Connecticut 06156, (203) 273-0969.

CONSTITUTION OF THE NATIONAL FEDERATION OF MUNICIPAL ANALYSTS

ARTICLE I - NAME

The official name of this organization shall be the National Federation of Municipal Analysts. Within this Constitution, "Federation" and "NFMA" are synonymous with the official name.

ARTICLE II - PURPOSE

The NFMA is an association of municipal analysts' societies and affiliated individuals dedicated to promoting professionalism in municipal credit analysis and evaluation and to fostering communication among its members.

ARTICLE III - LOCATION

The principal office of the Federation will be located

ARTICLE IV - MEMBERSHIP

The Federation shall initially consist of four "Charter" organizations, viz, the Boston Municipal Analysts Forum, the Chicago Municipal Analysts Society, the Municipal Analyst Group of New York, and the Southern Municipal Finance Society, and "Charter" member(s) representing affiliated individual members.

Section 1 - Classes of Memberships

There shall be three classes of members in the Federation: constituent societies, regular members of constituent societies, and affiliated individual members, all as hereinafter defined in Article IV. For the purposes of this Article "regular members" shall be defined as resident, full dues paying members of such constituent societies.

Section 2 - Application and Admission Procedure

(a) *Constituent Societies* - An application for admission as a constituent society shall be submitted to the Vice Chairman of the Federation who shall serve as Chairman of the Membership Committee. The Membership Committee shall review the application and any accompanying material, prepare a report of its recommendations, and submit the application and its report to the Chairman of NFMA within ninety (90) days of the receipt of the application by the Chairman of the Membership Committee. Such an application for admission will be considered for a vote by the full Board of Governors not later than the next scheduled meeting of the Federation Board of Governors. The Chairman of the Federation at his discretion may solicit a vote earlier than the date established for the next scheduled Federation meeting. Acceptance shall require a majority vote of all current Governors of the Federation. If such an application is approved, the individual members of the organization seeking affiliation with the Federation will automatically become members of the Federation. If such an application is rejected, the organization so affected may reapply, but not for a period of at least one (1) year.

(b) *Affiliated individual members* - Any individual who is not a regular member of a constituent society may apply for membership individually as an affiliated individual member of the Federation. The application for membership shall be submitted to the Chairman of the Membership Committee. The application shall include at least two letters of reference from Federation members in good standing. The membership committee shall review the application and the accompanying material, prepare a report of its recommendation, and submit its report to the Chairman within ninety (90) days of receipt of the application by the Chairman of the Membership Committee. If the report of the Membership Committee is favorable, the applicant shall automatically become an affiliated individual member. Affiliated status is available only to those persons not having reasonable access to membership in a Constituent Society.

(c) *Form of Application* - The Membership Committee shall have total responsibility for the preparation and maintenance of a suitable form of application for both constituent societies and affiliated individual members.

Section 3 - Removal of Members

(a) The privilege of membership to the NFMA imposes adherence to the Federation's established Code of Ethics as provided for in Article X, Section 6 of this Constitution. Allegations of violations of the Federation's Code of Ethics are to be reported promptly to the Chairman of the Ethics Committee for appropriate action as outlined in Article X, Section 6.

(b) If a Board of Inquiry finds reasonable evidence of a violation as outlined in Article X, Section 6, the Board may by a three-fourths majority vote of all Governors authorize appropriate disciplinary action including expulsion from membership. The Member or Members so expelled are barred from re-application for membership for a period of not less than ten (10) years.

(c) The Board of Governors, upon the recommendation of the Membership Committee, may by the unanimous vote of all Governors ask for the resignation of a Member or Members whose career status or circumstances have changed sufficiently that the nature of the person's or persons' current employment is no longer consistent with the spirit of the Federation's then current membership requirements. A Member or Members who then resign may reapply for membership, but not sooner than one (1) year.

ARTICLE V - BOARD OF GOVERNORS

The general affairs of the NFMA shall be administered by the Board of Governors. Charter constituent societies will each place two persons on the Board of Governors. In addition, at the discretion of the Board, and by a two-thirds vote of all Governors, two additional board seats may be authorized to allow for the representation of affiliated individual members and for two at-large Governors. Board terms shall be for two years staggered in such a way that each member society will have a new representative on the Board annually. Vacancies on the Board of Governors shall be filled pursuant to Article VIII, Section 6 of this Constitution.

ARTICLE VI - ELECTION OF GOVERNORS

Each constituent society shall exercise full autonomy in the election process used to determine its representation on the Federation Board of Governors and shall make such a determination not later than October 1st of every fiscal year. The Secretary of the Federation shall solicit by written notice, recommendations for board memberships to be filled among affiliated individual members. The Secretary of the Federation shall present all such recommendations to the full Board of Governors for their consideration. A majority vote by the full Board of Governors is required to fill each such board position. No Governor shall be allowed to succeed himself except upon a unanimous vote of all Governors. Any retiring Governor may be authorized to serve in an at-large position authorized by the Board under Article V of this Constitution.

ARTICLE VII - MEETING REQUIREMENTS
FOR THE BOARD OF GOVERNORS

A board meeting shall be called by the Chairman at least once annually and will require attendance by two-thirds of all Governors to make a quorum. In ad-

dition, in order to conduct business as outlined in this Article VII, one Governor from every constituent group must be present or otherwise represented. No business may be conducted without a quorum present. All decisions of the board will be made by a majority vote with one vote per governor with the Chairman carrying an additional vote to become operative only in the case of a tie. "Meetings" may be held and business conducted either in person or via phone. Votes and/or substitute representation may be carried out by proxy and shall satisfy the quorum requirements of this Article VII. The business of the Federation shall be conducted according to Robert's Rules of Order; however, the Chairman, at his discretion, may invoke any other rules of order.

ARTICLE VIII - ELECTION OF OFFICERS OF THE FEDERATION

The Board shall annually elect a Chairman, Vice Chairman, Treasurer, and Secretary. Elections shall take place prior to November 1, with terms beginning December 15th or the first business day thereafter.

Section 1 - The Chairman

The Chairman shall have and may exercise the powers and duties commonly incident to his office. The Chairman shall preside at all meetings of members and at all meetings of the Board of Directors. The Chairman shall have such duties and exercise such powers as are prescribed by the Constitution of the Federation as well as such other duties and powers as the Board of Directors may prescribe. The Chairman is an ex-officio member of all Committees.

Section 2 - Vice Chairman

The Vice Chairman shall perform the duties of the Chairman in his absence and shall automatically assume the Chairmanship in the event of the Chairman's resignation or death, the Vice Chairman shall have such other duties and may exercise such other powers as the Board of Directors may prescribe.

Section 3 - Treasurer

The Treasurer shall have and may exercise the powers and duties commonly incident to this office. The Treasurer shall serve as the Chairman of the Finance Committee established in Article X, Section 4. The Treasurer shall receive, hold and disburse the funds of the Federation and shall submit an annual financial statement and such other statements as the Chairman may require. The Treasurer shall have such other duties and may exercise such powers as prescribed by the Federation Constitution as well as such other duties and powers as the Board of Directors may prescribe.

Section 4 - Secretary

The Secretary shall act as Secretary at all meetings of members and at all meetings of the Board of Directors and shall keep a record of the proceedings thereof. Among his duties in addition to those outlined elsewhere in the Constitution of the Federation shall be the maintenance of a record of member societies that includes both names and addresses and the names and addresses of affiliated individual members, as well as the terms of all governors. The Secretary shall have such other duties and may exer-

cise such other powers as the Board of Directors may prescribe.

Section 5 - Nominations

Only Governors are eligible to serve as Officers of the Federation. Nominations for the office of Chairman, Vice Chairman, Treasurer, and Secretary shall be made by the Nominations Committee. The then current Secretary shall serve as the Chairman of the Nominations Committee. Members of this committee may either be governors or members of constituent societies or affiliated individual persons. The slate prepared by the Nominations Committee shall be forwarded to the Chairman of the Board of Governors who will present the slate to the full board. At such time as a vote is to be taken on the slates, additional nominations may be taken from board members. A majority of the Board of Governors shall be necessary to elect each officer.

Section 6 - Vacancies

Except as provided for in Article VIII, Section 2, a vacancy in any office may be filled by the Board of Governors by the appointment of a successor for the unexpired term of the Governor whose place is vacant. Recommendations for appointees shall be made by the governing body of the constituency represented by the vacancy.

ARTICLE IX - MEMBERSHIP IN MORE THAN ONE CONSTITUENT SOCIETY

If a person is a regular member of more than one constituent society, that person shall be considered a member of the society of his specific designation for purposes of defining his membership status.

ARTICLE X - STANDING COMMITTEES

There are hereinafter established eight (8) standing committees, such committees to be formed and to have the duties and limited authority as provided in this Article X. It is intended that all committees, where practicable, shall be comprised of representatives from all constituent societies and from among affiliated individual members.

Section 1 - Committee Chairmen and Members

Only Governors of the Federation shall serve as committee chairmen. The chairman of each of the committees established herein shall serve for a term of one year. The committee Chairman shall appoint members of the committee with the approval of the Chairman of the Board. The term of any member of any of the committees established herein shall also be for one year except as noted otherwise.

Section 2 - Membership Committee

The Chairman of this committee shall be the Vice Chairman of NFMA. This committee shall consist of one member from each constituent society as well as one member representing non-affiliated persons. This committee has the responsibility for reviewing all applications for membership and making recommendations to the Chairman regarding such applications. This committee shall also have responsibility for encouraging the formation of constituent societies throughout the United States. The commit-

tee shall also be responsible for expanding membership among affiliated individual members.

Section 3 - Publications Committee

The Publications Committee shall be chaired by the Secretary of the Federation. This committee has responsibility for all publications sanctioned and distributed by and on behalf of the Federation. Such publications shall include, but are not limited to, the Municipal Analysts Forum.

Section 4 - Finance Committee

The Finance Committee shall be chaired by the Treasurer of the Federation. This committee shall be responsible for the sound management of the financial affairs of the Federation. The committee shall also have the responsibility for the financial planning associated with any program, symposium or seminar sponsored by the Federation.

Section 5 - Constitution Committee

The Chairman of the Constitution Committee shall be appointed by the Chairman of the Federation. The responsibilities of this committee are to prepare the Constitution for the Federation and to review periodically, but not less than once every three years, the Constitution of the Federation for its appropriateness for the then current needs and requirements of the Federation. The committee is also responsible for recommending changes, modifications or additions if any such changes are deemed advisable. Members of this committee shall serve two (2) year terms.

Section 6 - Ethics Committee

The Ethics Committee shall be appointed by the Chairman of the Federation. This committee is charged with the responsibility of developing and maintaining an appropriate Code of Ethics for Federation members. This committee shall also be vested with the power to establish a Board of Inquiry to investigate allegations of violations of the Federation's Constitution or the Federation's Code of Ethics. After an appropriate investigation of the allegations, the Board of Inquiry shall prepare and present to the Board a report on its findings and any recommendation for action to be taken by the Board. Members of this committee shall serve two (2) year terms.

Section 7 - Awards Committee

The Chairman of the Awards Committee shall be appointed by the Chairman of the Federation. The responsibility of this committee shall be to review industry developments for evidence of unusual, substantial contributions on the part of practicing professionals and to recommend such persons for recognition by the Board of Governors. There is no requirement that an award be given in any fiscal year, and it is the intent of the founders of the Federation that such an award shall be reserved for extraordinary contributions.

Section 8 - Education Committee

The Chairman of the Education Committee is appointed by the Chairman of the Federation. Responsibilities of this committee include (a) the coordination, review, and recommendations on future direc-

tions for educational projects to be sponsored by the Federation, (b) maintenance of relationships with member society program and education chairmen with a view towards fostering communication and developing national education priorities, and (c) review of educational projects as they may exist from time to time in light of current and emerging educational needs of municipal analysts. In addition, this committee is charged with the responsibility of developing a policy for the Federation for standards to measure professional achievement in the area of municipal credit analysis, specifically to monitor and investigate the appropriateness and feasibility of a formalized accreditation policy and program for the Federation.

Section 9 - Nominations Committee

The Nominations Committee shall be chaired by the Secretary of the Federation. This committee shall have responsibilities set forth in Article VIII, Section 5. The committee shall consist of one representative from each constituent society as well as one person representing affiliated individual members.

Section 10 - Reports of Committees

The chairman of each committee established herein shall prepare a report on the activities of their respective committees and submit such report to the Chairman of the Board of Governors not later than October 15th of each fiscal year.

ARTICLE XI - NATIONAL CONFERENCES

The NFMA will hold National Conferences when possible in order to provide members with the opportunity to hear presentations, to meet with members of other constituent societies of the Federation, and to contribute their efforts to the overall advancement of the NFMA. Such conferences shall be sponsored by constituent societies on a rotating basis. Proposals for such conferences shall be submitted to the Board by any constituent society desiring to sponsor such a conference. The financial responsibility for any such conference must, out of necessity, rest with the sponsoring group. Therefore, any such sponsoring group is hereby authorized to levy and collect reasonable fees or charges on all persons attending such a conference. It is the intention of the Federation that the sponsorship of such conferences, being an essential purpose of the Federation, should not place an unnecessary financial burden on the sponsoring group. Therefore, the NFMA shall not be precluded from providing financial assistance to a sponsoring group.

ARTICLE XII - MUNICIPAL ANALYSTS FORUM

Section 1 - Publications

In order to further the purposes of the Federation, the creation, publication and distribution of a journal devoted to topics of interest to municipal credit analysts is hereby authorized. The journal shall be known as the Municipal Analysts Forum. The financial responsibility for this journal is to be borne by the Federation. All members of the Federation will automatically receive a copy of this publication. Topics which may be of interest to municipal credit analysts are specifically authorized to include notification of scheduled member society meetings

and analytical material of interest to members. The editorial philosophy of this journal shall be as follows: (a) no endorsement of any candidate for public office or for an appointed position in state or local government, (b) no endorsement of the obligations of any issuer of state or local bonds, and (c) no endorsement or expressed approval or rejection of any specific method of credit analysis.

Section 2 - Editorial Review Board

An Editorial Review Board with oversight responsibilities for the Forum is hereby created. The Secretary or his appointed designee shall serve as Chairman of the Editorial Review Board. The role of this Review Board is to assure that quality, professionalism, impartiality and conformance to the Federation's Constitution are always maintained within the Forum.

ARTICLE XIII - FINANCES OF THE FEDERATION

Section 1 - Expenses

The expenses of the Federation will be provided for by dues and assessments received annually from its members as described in Sections 2 and 3 of this Article XIII. An annual budget, corresponding to the November 1 - October 31 operating year, and a mid-year interim report will be submitted by the Treasurer to the Board of Governors for approval.

Section 2 - Annual Dues

The payment of annual dues are to be made by January 1 of each fiscal year. The schedule of member dues for both regular members and for affiliated individual members shall be reviewed annually by the Finance Committee so as to determine their appropriateness given the then current financial requirements of the Federation. The Board of Governors may, by a two-thirds vote of those Governors present, revise the schedule of dues. Dues shall not exceed 150% the maximum amount of annual dues collected by any member society.

Section 3 - Special Assessments

The Board of Governors may, by the unanimous vote of all governors, authorize the levy of special assessments on all classes of members. Such assessments shall not exceed \$15.00 per member annually unless approved by a majority of members of the Federation.

ARTICLE XIV - AUTONOMY OF CONSTITUENT SOCIETIES

Member societies shall enjoy full autonomy in the exercise of their business. This autonomy is expressed without qualification, and no limitation or restraint by the Federation is either expressed or implied in this Constitution.

Section 1 - Membership Requirements

Membership requirements of the constituent societies shall be determined completely and solely by themselves.

Section 2 - Selection of Representatives

Each society is expected to determine its own method of selecting its representatives to the Federation's Board of Governors. The financial

obligation of any constituent society is limited to those provisions expressly stated in Article XIII of this Constitution.

ARTICLE XV - DIRECTORY OF FEDERATION MEMBERS

The Federation may authorize the creation, maintenance and distribution of a directory of Federation membership. Such a Membership list may be used by the Federation for any purpose authorized by a majority of the Governors. The scope of such a Directory and oversight responsibility shall be vested in the Publications Committee.

ARTICLE XVI - AMENDMENTS TO THE CONSTITUTION

Section 1 - Proposal of Amendments

Amendments to this Constitution may be proposed by the Board of Governors or by 10% of the members of the Federation through written application to the Secretary of the Board. Each proposed amendment shall be published and distributed to all Federation members along with notice of the date by which the amendment is to be considered for vote.

Section 2 - Vote by Ballot

Not less than thirty (30) days before the date established for the vote on amendments to this Constitution, the Secretary of the Federation shall send to each Federation Member in good standing a ballot which contains the stated amendment.

Section 3 - Requirements for Amendment

A two-thirds vote of the members of the Federation shall be necessary to amend this Constitution.

Section 4 - Form of Amendment

Any such change in this Constitution shall be shown as such an amendment and listed chronologically under this Article XVI.

ARTICLE XVII - EFFECTIVE DATE OF THIS CONSTITUTION

The Constitution shall become effective upon a three-fourths vote of all Governors and shall contain within this Article XVII that effective date. The Chairman shall sign and the Secretary shall countersign their approval and authentication of this Constitution. Once approved, the Secretary of the Federation shall maintain an authenticated copy of this Constitution and amendments thereto, if any.

ANNOUNCEMENT CALL FOR ARTICLES

NFMA members who wish to submit articles to be considered for a special supplement to The Bond Buyer published in conjunction with the National Convention should submit their copy to John H. Allan, Editor, by 7 May 1984. The theme of the supplement will be Municipal Credit Analysis in a post-WPPSS Environment.

OFFICERS

1 November 1983 - 31 October 1984

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1 November 1983 - 31 October 1984

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The Board of Governors for 1983-1984 is composed of the Officers and Committee Chairpersons listed above, plus the following members:

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**NATIONAL FEDERATION
OF MUNICIPAL ANALYSTS**

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The Editor of the Municipal Analysts Forum is Katherine R. Bateman, Research and Advisory Services, John Nuveen & Co. Incorporated. She holds a B.A. degree from Berea College, and an M.A. and Ph.D. from the University of Michigan. She was previously a college professor.

Opinions expressed in the Forum are not necessarily the opinions of the National Federation of Municipal Analysts. Furthermore, all material is based on information believed to be reliable, but is not necessarily complete and should not be relied upon as such.

MUNICIPAL ANALYSTS FORUM

A Publication of the National Federation of Municipal Analysts

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CONSTITUENT SOCIETIES

BOSTON MUNICIPAL ANALYSTS FORUM
CHICAGO MUNICIPAL ANALYSTS SOCIETY
MUNICIPAL ANALYST GROUP OF NEW YORK
SOUTHERN MUNICIPAL FINANCE SOCIETY