

College Savings Foundation Conference  
February 24-26, 2010, Shore Club, Miami Beach, FL



Leading The Way Forward > The Next Decade Of College Savings

## Legislative and Regulatory Update

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MSRB

## 529 College Savings Plans

Learn about these state investment products and how to access plan documents. 

|| 1 2 3 4



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### MSRB Rules





The MSRB provides a regulatory framework for the securities firms and


banks that work on behalf of investors buying and selling municipal securities and the municipalities that issue them.

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### Regulatory News [View All News](#)

[MSRB Adds Continuing Disclosure Search Function on EMMA](#)   
Friday, October 23, 2009

[MSRB Approves Bond Ballot Contributions Disclosure and Customer Order Measure](#)   
Friday, December 04, 2009

[Seats New Members for Fiscal Year 2009](#)   
Wednesday, October 01, 2008

[Bond Attorney Joins Municipal Securities Rulemaking Board Staff](#)   
Tuesday, September 09, 2008

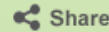
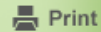
### EMMA

A service of the MSRB

The Electronic Municipal Market Access (EMMA) website is the official source for municipal disclosures and market data.



[emma.msrb.org](http://emma.msrb.org)

[How the Market Works](#)[How the Market is Regulated](#)[About Municipal Securities](#)[529 College Savings Plans](#)[Features of Municipal Securities](#)[Types of Municipal Securities](#)[Investor Resources](#)[Registered Dealer List](#)[Glossary](#)

## 529 College Savings Plans

*The information provided below is a general summary of some of the basic features of 529 college savings plans. These features may vary from state to state. For detailed disclosures regarding a specific plan, please visit [emma.msrb.org](#) and conduct a "529 Plan search" for your state of interest and its "Plan disclosure document," which contains important information regarding the plan.*

529 college savings plans are established by states under IRC Section 529 (b) (1)(A)(ii) as "qualified tuition programs" through which individuals may accumulate funds for certain qualified higher education expenses of beneficiaries. Individuals purchase interests in a trust or other financial arrangement established by the state or its instrumentality, with the collective assets invested according to the plan's stated investment objectives. Issuers typically engage investment management firms (such as mutual fund companies) to manage the investment of assets. In addition, most states engage broker-dealers to serve as primary distributors for their 529 college savings plans. Once a state establishes a new plan, investors may open an account through an authorized investment firm (referred to as an "advisor-sold" plan) or directly with the state (a "direct sold" plan). The fees and charges may be lower in a "direct sold" plan, but an investor may not have access to the advice of an investment professional, as with an "advisor-sold" plan.

### State Programs

A 529 college savings plan that meets the requirements of IRC Section 529 must be established and maintained by a state or an agency or instrumentality of a state. This governmental entity (not the investment management firm or primary distributor) is the issuer of any shares or interests purchased by customers. Virtually every state, as well as the District of Columbia, has a 529 college savings plan. Although these plans all share certain common elements required under IRC Section 529, many features may vary from state to state. Such features include state tax law treatment, who may invest in a plan and the types of investments available, among many others. The College Savings Plan Network ("CSPN"), which was formed as an affiliate to the National Association

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### Glossary

Here is some text about the glossary along with a link.

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## Muni Search

Find the official statement, continuing disclosures and trade price information for a specific bond, note or other municipal security (for best results, use CUSIP number). For more information on finding an official statement, [click here](#).



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Search



529 Plan  
Search



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## Welcome to EMMA

EMMA is the comprehensive source for official statements, continuing disclosure documents, advance refunding documents and real-time trade price information on municipal securities.

### New Developments

[MSRB Creates Instructional Video About EMMA](#)

[Watch Video](#)

January 15, 2010



### EMMA EDUCATION CENTER

In our Education Center you can find a wealth of information to help you learn more about tax-exempt bonds and notes, taxable munis, 529 college savings plans and the full constellation of municipal securities.

- ➔ [Getting Started on EMMA](#)
- ➔ [Watch a Video About Using EMMA](#)
- ➔ [What are Bonds?](#)
- ➔ [What You Should Know Before Investing](#)
- ➔ [Frequently Asked Questions](#)



### MARKET ACTIVITY

View market-wide information about municipal securities, including recent trades, daily summaries of market transactions, official statements for new issues and recent advance refundings of outstanding bonds.

- ➔ [Trade Activity](#)
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- ➔ [Continuing Disclosure Documents](#)
- ➔ [Market Statistics](#)



### DOCUMENT SUBMISSION

Municipal bond underwriters and issuers submitting official statements, advance refunding documents and continuing disclosures to EMMA may do so through the EMMA Dataport. Submitted documents are made available to the public.

- ➔ [Primary Market Submission](#)
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### Muni Search

Find the official statement, continuing disclosures and trade price information for a specific bond, note or other municipal security (for best results, use CUSIP number). For more information on finding an official statement, [click here](#).

Enter CUSIP or Name



### 529 Plan Search

Find disclosure information for 529 college savings plans. (Information about 529 plans is also available from the College Savings Plans Network.)

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### Glossary of Terms

View the MSRB's industry-standard Glossary of Municipal Securities Terms.



[Look It Up](#)

### Advanced Muni Search

Find the official statement - advance refunding document and trade price information for a specific bond, note or other municipal security. (If not using a CUSIP-9 number, enter multiple parameters if possible to avoid returning excessively large search results.)

#### Search Criteria

CUSIP

Issuer Name

Issue Description/Obligor

State

#### Ranges

Maturity Date   From   To

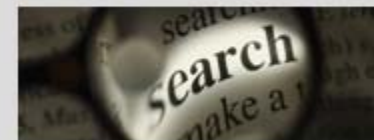
Date of Issuance   From   To

Interest / Coupon Rate  % From  % To  %

**Search**

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Helpful hints to quickly find the information you are looking for.



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## 529 College Savings Plans

### SCHOLARS CHOICE COLLEGE SAVINGS PROGRAM STATE OF COLORADO

[Plan Disclosure Document](#)

[Continuing Disclosure Document](#)

View the plan disclosure document about the 529 College Savings Plan.

#### Plan Disclosure Document

Be advised that these are large files that can take several minutes to download, depending on your connection speed and the level of traffic on EMMA. You should preview the cover, if available, before downloading to ensure that this is the correct document.

[Click to view; right click to save]



Click Here to download complete set of the plan disclosure document w/supplement(s) (5.5 MB)

**NOTE:** Failure to review entire plan disclosure document together with all supplements may result in incomplete understanding of your 529 College Savings Plan. Files can be viewed individually below but should not be read in isolation from one another.

#### Individual Documents

 [Program Disclosure Statement](#)

 [90325\\_002\\_Legg\\_Mason.pdf](#) posted 09/09/2009 [View](#)

 [Plan Disclosure Document](#)

#### Preview



[Preview Cover](#)



#### Terminology Help

[View our Glossary of Terms](#)

#### Why read the plan disclosure document?

The plan disclosure document describes the essential terms of the 529 College Savings Plan, including investment options, fees and expenses, any state tax benefits, and much more.

[Learn More](#)



**SCHOLARS CHOICE® COLLEGE SAVINGS PROGRAM**  
**(an Advisor-Sold Plan established under the CollegeInvest**  
**Section 529 College Savings Program)**

**PROGRAM DISCLOSURE STATEMENT**

**AND**

**PARTICIPATION AGREEMENT**

**SEPTEMBER 22, 2009**

**COLLEGEINVEST**  
**TRUSTEE AND ADMINISTRATOR**

**LEGG MASON GLOBAL ASSET ALLOCATION, LLC**  
**LEGG MASON INVESTOR SERVICES, LLC**  
**MANAGER**

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CollegeInvest is a division of the State of Colorado's Department of Higher Education. Legg Mason Global Asset Allocation, LLC performs the investment advisory functions described in this Program Disclosure Statement. Legg Mason Investor Services, LLC performs the administrative and recordkeeping functions described in this Program Disclosure Statement, and is the primary distributor of interests in the Program. Legg Mason Global Asset Allocation, LLC and Legg Mason Investor Services, LLC are wholly-owned subsidiaries of Legg Mason, Inc. and together serve as Manager of the Program.

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## 529 College Savings Plans

### SCHOLARS CHOICE COLLEGE SAVINGS PROGRAM STATE OF COLORADO

[Plan Disclosure Document](#)

**Continuing Disclosure Document**

#### Continuing Disclosure Documents

##### Financial/Operating Filing

##### Annual Financial Filing

 Financial Operating Filing for the year ended 06/30/2009 Document1 posted 12/23/2009 (253 KB) [details](#)

 Financial Operating Filing for the year ended 06/30/2009 Document2 posted 12/23/2009 (398 KB) [details](#)

##### Audited Financial Filing

 Financial Operating Filing for the year ended 06/30/2009 posted 12/23/2009 (253 KB) [details](#)

 Financial Operating Filing for the year ended 06/30/2009 posted 12/23/2009 (398 KB) [details](#)

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#### Terminology Help

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[Learn More](#)





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**COLLEGEINVEST**  
**COLLEGE SAVINGS PROGRAM FUNDS**  
**FINANCIAL AUDIT**  
June 30, 2009

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## MSRB NOTICE 2009-39 (JULY 1, 2009)

### MSRB LAUNCHES THE CONTINUING DISCLOSURE SERVICE OF ITS ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM (“EMMA”)

Today, the Municipal Securities Rulemaking Board (the “MSRB”) implemented a permanent continuing disclosure service (the “continuing disclosure service”) through its Electronic Municipal Market Access system (“EMMA”).<sup>[1]</sup> Beginning today, the continuing disclosure service receives electronic submissions of, and makes publicly available on the Internet on the EMMA website at [emma.msrb.org](http://emma.msrb.org) (the “EMMA portal”), continuing disclosure documents and related information from issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12<sup>[2]</sup> (“Rule 15c2-12”) as well as on a voluntary basis.<sup>[3]</sup> The continuing disclosure service has been launched concurrently with the effectiveness of related amendments to Rule 15c2-12 adopted by the Securities and Exchange Commission (“SEC”) on December 5, 2008.<sup>[4]</sup>

All continuing disclosure documents and related information are submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. Public access to the documents and information is provided through the continuing disclosure service on the EMMA web portal, available at <http://emma.msrb.org>, at no charge, as well as through a paid real-time data stream subscription service.

## **CONTINUING DISCLOSURE PROVISIONS OF RULE 15c2-12**

Under Rule 15c2-12(b)(5), an underwriter for a primary offering of municipal securities subject to the rule is prohibited from underwriting the offering unless the underwriter has determined that the issuer or an obligated person<sup>[5]</sup> for whom financial information or operating data is presented in the final official statement has undertaken in writing to provide certain items of information to the MSRB.<sup>[6]</sup> Rule 15c2-12(b)(5) provides that such items include: (A) annual financial information concerning obligated persons;<sup>[7]</sup>(B) audited financial statements for obligated persons if available and if not included in the annual financial information; (C) notices of certain events, if material;<sup>[8]</sup> and (D) notices of failures to provide annual financial information on or before the date specified in the written undertaking.<sup>[9]</sup> Written undertakings are to provide that all continuing disclosure documents submitted to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

## **CONTINUING DISCLOSURE DOCUMENTS ACCEPTED BY EMMA**

The continuing disclosure service accepts submissions of continuing disclosure documents as described in Rule 15c2-12 and voluntary submissions of other continuing disclosure documents, together with indexing information necessary to identify the securities to which the documents relate and the categories of information being provided. The continuing disclosure service of EMMA accepts submissions of, and makes publicly available through the EMMA web portal, the following categories of continuing disclosure documents:

## **FINANCIAL/OPERATING DATA**

### **Rule 15c2-12-Based Financial/Operating Data**

- annual financial information concerning obligated persons
- audited financial statements for obligated persons if available and if not included in the annual financial information
- notice of failure to provide annual financial information on or before the date specified in the continuing disclosure undertaking

### **Additional/Voluntary Financial/Operating Data**

- quarterly/monthly financial information
- change in fiscal year/timing of annual disclosure
- change in accounting standard
- interim/additional financial information/operating data
- budget
- investment/debt/financial policy
- information provided to rating agency, credit/liquidity provider or other third parties
- consultant reports
- other financial/operating data

## EVENT-BASED DISCLOSURES

### Rule 15c2-12 Material Event Notices

- principal and interest payment delinquencies
- non-payment related defaults
- unscheduled draws on debt service reserves reflecting financial difficulties
- unscheduled draws on credit enhancements reflecting financial difficulties
- substitution of credit or liquidity providers or their failure to perform
- adverse tax opinions or events affecting the tax-exempt status of the security
- modifications to rights of security holders
- bond calls
- defeasances
- release, substitution or sale of property securing repayment of the securities
- rating changes

### Additional/Voluntary Event-Based Disclosures

- amendment to continuing disclosure undertaking
- change in obligated person
- notice to investors pursuant to bond documents
- communication from the Internal Revenue Service
- tender offer/secondary market purchases
- bid for auction rate or other securities<sup>[10]</sup>
- capital or other financing plan
- litigation/enforcement action
- merger/consolidation/reorganization/insolvency/bankruptcy
- change of trustee, tender agent, remarketing agent, or other on-going party
- derivative or other similar transaction
- other event-based disclosures