**College Savings Foundation**

**Annual Membership Meeting**

**December 16, 2014**

**Washington, DC**

Present: Kyla Michaud, Fidelity Investments; Peter Mazareas, Invite Education; Roger Michaud, Franklin Templeton; Stacey Belford, American Century Investments; Bill Raynor, OppenheimerFunds; Elizabeth Fontaine, MEFA; Rich Polimeni, Bank of America/Merrill Lynch; Mary Morris, Virginia College Savings Plan; Chris McGee, Virginia College Savings Plan; Stefanie Mattson, State Farm; Rich Wolle, Franklin Templeton; Paul Curley, Strategic Insight; Nancy Sobin, College Savings Bank; Regina Carmon, College Savings Bank; Mary Nickeson, Wealth Management Systems; Tom Morgan, BlackRock; Mark Chapleau, Weston Patrick; Austin Ulep, Strategic Insight; Rob Tirrell, Voya Investment Management

By Telephone: Deb Smith, John Hancock Financial Services; Rachel Biar, Nebraska College Savings Plan; Andrea Feirstein, AKF Consulting; Paul Paeglis, Ohio Tuition Trust Authority; Vivian Tsai, TIAA CREF

Consultants: Barbara Pate, Davis & Harman; Lynthia Romney, Romneycom; Randy Hardock, Davis & Harman; Kathy Hamor, College Savings Foundation

The meeting was convened at 11:03 am.

1. **Approval of Previous Meeting Minutes**

The minutes of the 2013 annual meeting held on December 17, 2013 were reviewed and approved unanimously.

1. **Introductions/Chairman’s Remarks**

Mary Morris noted that this was a good building year with more members joining CSF. More members are expected to join in 2015. The Conference Committee has been very busy and has accomplished a lot. The first CSF newsletter was sent and plans are to send this to CSF members once a month. Mary noted that she had more extensive remarks about this year in the newsletter that was sent the day before.

1. **Financial Report**

Kyla Michaud, Treasurer, reviewed the current 2014 financial report. She mentioned that CSF had a successful conference with income coming in higher than expected and the expenses came in as expected. In addition, there are new members to CSF. One item that Kyla pointed out is the reduction in phone expenses. This is due to using a service, Uber Conference call service that has the charge of $10 per month for conference calls. This has reduced this expense considerably. The cash on hand is just under $108,084.96. Mary Morris noted that we have reduced our built in deficit this year.

1. **Media Report**

Roger Michaud gave the report. He mentioned that the Media Committee along with several member volunteers are developing a new survey on adult students and their awareness of using 529s to pay for their education as well as efforts being started to promote the CSF 2015 conference in Austin. Lynthia Romney discussed other media efforts throughout the year.

In 2014, CSF publicized the following key initiatives:

* CSF Conference and Public Forum in Savannah, GA.
* 8th annual *State of College Savings* survey of parents across the country
* 5th annual *How Youth Plan to Fund College* survey of 16- and 17-year olds across the country
* Quarterly Data – CSF Data Findings
* Special media outreach and initiatives

**Special Media Initiatives:**

* Year-end Gifting press release.
	+ Crafted press release framing trends in gifting and citing specific programs provided by CSF members.
	+ Resulted in interviews for ***New England Cable News*** (Fidelity spokesperson***)*** and ***Forbes*** (College Savings Bank and family). ***Kansas City Star*** syndicated columnist is interested in story for 1Q 2015. Press release posted on ***Prudent Money*** website.

**Plans for 2015 Conference:**

* Began building lists of print and broadcast media in Austin, as well as key personal finance and higher education resources in Texas. Included associations and organizations involving Texas principals and teachers of K-12 and higher education.

**New Survey:**

* Developing new survey of 529 awareness among people in community or technical schools, to include those who are getting the skills needed in the workforce for a new job as well as enhancing skills to either advance in current organization or for those who are changing their careers.

**8th Annual State of College Savings survey of parents:**

* Crafted press release and Executive Summary including charts and graphs.
* Resulted in coverage in *Business for Breakfast - Money Radio* 1510 in Phoenix; *Forbes* – placement with focus on Millenials; *Pittsburgh Post-Gazette* – placement with focus on 2- year colleges; *Financial Advisor*; *Business Journal* (Youngstown, OH); *Kiplinger’s*; piece by Reyna Gobel; and, *Atlanta-Journal Constitution*
* Worked with Marketing Task Force to supply key facts for social media.

**How Youth Plan to Fund College Survey:**

* Crafted press release and Executive Summary including charts and graphs.
* Resulted in coverage ***Kansas City Star*** which was also picked up in the ***Chicago Tribune*** and other sites; ***Pittsburgh Post-Gazette***; ***Money; US News & World Report;*** and  ***InvestmentNews***

**Conference**:

* Liz Skinner of ***InvestmentNews*** attended.
* Conducted onsite broadcast interviews with NBC affiliate ***WSAV-TV*** ; ABC affiliate ***WJCL-TV (also Fox affiliate WTGS);*** CBS affiliate ***WTOC-TV;*** ***“In Focus,” Our Hometown “ – NBC affiliate WSAV-TV***; and, posted event listing on CBS affiliate ***WTOC-TV website*** as well as ***Savannah Morning News.***

**Ongoing media*:***

* U.S. News & World Report: 2 stories
* Pittsburgh Post-Gazette
* Kiplinger’s
* US News & World Report

**Quarterly Data Press Releases:**

* Crafted 4Q ’13, 1Q ’14, 2Q ’14 and 3Q ’14 Data press releases and distributed to media.
1. **Conference Committee**

Nancy Sobin gave the report. She thanked the committee members and Kathy for their assistance in getting the conference together. Nancy reminded everyone that the conference is being held from March 3 – 5, 2015 at the Stephen Austin Intercontinental Hotel in Austin. TX. On-line registration will soon be posted on the CSF website and there will be 2 mailings of the conference brochure as the price for 2 was not significantly higher. The CSF Board meeting will start at 2 p.m. on March 3rd.

Conference sponsorships are being approached differently this year as companies/organizations will be sponsors for the conference as well as the financial professionals and public sessions following the conference.

CSF will have a free session for financial professionals entitled *Ask the Experts.* Plans are to invite lawyers, CPAs and financial advisors to this session and ask them to bring clients to the public session that will follow. We are looking into continuing education credits for each of these professions.

1. **Industry Data Committee**

Rich Wolle, Chair of the Data Committee gave the report. Data collection and reporting has been going well and CSF just issued its 3rd quarter data release.

 In the first three quarters of 2014:

* AUM: Increased 13.5% to $217.2 billion
* Gross sales: Eclipsed $16.5B (advisor $7.3B / direct $9.2B)
* 3Q 529 net outflows were highest on record since 2008 amid higher gross sales

Rich reminded everyone of the reporting requirements under G-45 and provided a copy of the MSRB storyboard. He also mentioned that G-45 submissions are due 8/31/15 (see initial MSRB Form G-45 Storyboard handout)

He noted that the Federal Reserve (FED) reached out to CSF about providing data (since inception –1996) including distributions, contributions, rollovers, AIPs, demographics, etc. Strategic Insight helped get the annual data in the appropriate format which was provided to the FED.

The Committee looked at the data that is currently being collected and discussed other data that they would like to see.

**529/Market data:**

We recommend that we start collecting and gathering data “gaps.” Such data would be:

1. Current market – how much is in 529 plans vs. CDs, ESAs, other investments for college savings (can we gather a large enough sample size to draw conclusions?)

2. Average account balance based on age of beneficiary. This could be done either by age or age bands; % of accounts that fall in the ages or age bands

3. Demographics across income level / class (lower, middle, middle-upper, upper, etc.) by account holder and what % of sales/AUM

4. Average loan amount, average college pricing/trends, earning trends by degree, college expenditures minus Pell grants/financial aid (Source: Sallie Mae, College Board, College Trends, etc.)

5. More competitor data by plan (and can this be done anonymously?):

* Net flows (quarterly by advisor/direct channels); # of accounts
* Sales by state breakdown by channel
* Gross sales vs. net sales
* More comparative data to include glide path data
* What plans are selling in each state

Rich presented a chart of the data that is currently included in the CSF data report:

|  |
| --- |
| **Existing Data Elements Reported on the CSF Report**  |
| AUM  | Performance  |
| Account Size  | Purchase Method (load v no loads)  |
| # of Accounts  | Share Class of Advisor-Sold AUM/Sales  |
| Gross Sales  | Automatic Funding (% and $)  |
| Net Sales  | Fee Ratios by Port Type  |
| % Making Contributions/Distribution |

Tom Morgan raised the issue about the size of the industry and pointed out that there is inconsistent data about flows.

1. **Legislative, Legal and Regulatory Affairs Committee**

Bill Raynor, Chris McGee, Randy Hardock and Barbara Pate gave the report. Bill started his remarks by thanking Davis & Harman for the excellent work they do.

Randy led a discussion on ABLE. The legislation passed the House as part of a technical corrections bill. The current status is that Majority Leader Reid is keeping the tax bill as the last thing they will pass before adjournment. The Senate is working through 20 nominations and then will take up the bill after nominations.

**Features of ABLE**:

* Investment change 2 times per year. This is effective on January 1, 2015 unless the state does not allow it
* ABLE is effective January 1, 2015. There will probably be a fairly large population interested in it. Currently there are no ABLE accounts in place. There will be a lot of pressure to get ABLE in place by December 31, 2015. In the bill, Treasury is directed to provide guidance in six months. CSF needs to determine its role in ABLE and then with the guidance going forward. ABLE is not a College Savings Plan.
* CSF needs to decide whether it weighs in on the investment change twice a year change.

**Legislative Issues in 2015**

* Tax reform is real.
* As CSF determines its legislative agenda for 2015, we need to decide our overall strategy. CSF will have an in-person meeting in January to determine its legislative agenda. Kathy will send out an email to all CSF members about availability for this meeting to be held the second week in January.

**Educating Hill Staff and Establishing and Maintaining Contacts**

In 2014, as part of the CSF Board meetings, the Legislative, Legal, and Regulatory Affairs Committee (Committee) made a number of Hill visits to educate new staff; discuss H.R. 529 (Jenkins 529 bill), H.R. 4333 (Jenkins 529 bill), S. 2882 (McConnell 529 bill); and discuss consolidation of savings vehicles in the context of tax reform. These visits included the offices of Rep. Bill Pascrell (D-NJ); Rep. Mike Michaud (D-ME); Rep. Scott Garrett (R-NJ); Rep. Chellie Pingree (D-ME); Rep. Susan Brooks (R-IN); Rep. Jackie Walorski (R-IN); Rep. Jim Cooper (D-TN); Senator Charles Grassley (R-IA); Senator Cory Booker (D-NJ); Senator Mark Kirk (R-IL); and Senator Mitch McConnell.

In addition, Davis & Harman met with Rep. Lynn Jenkins (R-KS), our 529 champion; Rep. Diane Black, the sponsor of legislation (H.R. 3393) simplifying education tax incentives; and Rep. Virginia Foxx, Chair of the Education and the Workforce Subcommittee on Higher Education. Davis & Harman also met with key Committee staff of the Senate Finance Committee, House Ways and Means Committee, Senate Health, Education, Labor and Pensions (HELP) Committee, and House Education and the Workforce Committee, as well as with tax staff of Members of the Finance Committee and Ways and Means Committee.

**Monitoring and Responding to Legislative Initiatives That Could Impact 529 Plans**

**Tax Reform and Potential Impact on 529 Plans**

**House Ways and Means Committee --** In early 2014, Davis & Harman monitored the development, release, and subsequent activity on Chairman Dave Camp’s (R-MI) tax reform discussion draft, including especially ensuring that there were no harmful changes to 529 plan tax incentives. After reviewing the Camp draft, Davis & Harman produced a chart for the CSF membership outlining the education proposals in the proposal. The Camp draft (later introduced as H.R. 1, the Tax Reform Act of 2014) does not include changes to 529 plans.

While the Ways and Means Committee did not mark up the Camp tax reform legislation, it did consider H.R. 3393, the Student and Family Tax Simplification Act which is similar to the education provisions included in the Camp draft. H.R. 3393 was introduced in 2013 by Reps. Diane Black (R-TN) and Danny Davis (D-IL), the chairs of the tax reform working group on education. The bill consolidates the Hope Credit, the American Opportunity Tax Credit (AOTC), the Lifetime Learning Credit, and the tuition deduction into a single, more robust AOTC. It does not impact 529 plans.

Davis & Harman visited with Rep. Black regarding the significance of H.R. 3393 in the context of the tax reform, and monitored developments. In advance of the June 25, 2014, markup of H.R. 3393, Davis & Harman discussed the potential for 529 amendments with the Jenkins office and also with Ways and Means Committee staff and were informed 2 December 15, 2014 that 529 amendments would not be germane to H.R. 3393 and therefore not in order. This result was discussed with the Committee and Executive Committee. Davis & Harman monitored the markup of H.R. 3393 and prepared a report for the membership. Davis & Harman monitored the July 24, 2014 floor debate and vote on H.R. 3393.

**Senate Finance Committee --** In early 2014, Senate Finance Committee Chairman Max Baucus (D-MT) left the Senate to become Ambassador to China. Senator Ron Wyden (D-OR) became Chair and immediately turned his focus to expired tax provisions, noting that they would be a springboard to tax reform. This essentially stopped the forward progress on tax reform that Chairman Baucus had achieved. Chairman Wyden, however, confirmed his commitment to tax reform and announced a series of Finance Committee tax reform hearings to examine select areas of the tax code.

The first hearing conducted was on education tax incentives. Davis & Harman monitored and reported on the June 24, 2014, hearing. In consultation with the Co-chairs of the Committee and with the Executive Committee, Davis & Harman prepared written testimony that CSF submitted for the hearing record. Committee member Paul Curley provided statistics for inclusion in the testimony.

On December 11, 2014, incoming Senate Finance Committee Chairman Orrin Hatch (R-UT) released a report prepared by the Committee’s Republican staff that provides background on the tax code and outlines issues Congress will have to consider in the tax reform effort. The release of this report, entitled “Comprehensive Tax Reform for 2015 and Beyond,” is significant because it signals the commitment of Senator Hatch to make tax reform a priority in the 114th Congress. Davis & Harman reviewed the document and prepared a report for the membership on the discussion on education tax incentives, much of which covers ground discussed in previous Finance Committee hearings on education tax incentives.

**ABLE Accounts** – In the 113th Congress, Rep. Ander Crenshaw (R-FL) and Senator Bob Casey (D-PA) again introduced legislation (H.R. 647 and S. 313), the Achieving a Better Life Experience (ABLE) Act, creating tax-favored savings accounts for individuals with disabilities that are patterned on 529 education savings accounts. The Committee and Davis & Harman carefully tracked the legislation in anticipation of congressional action. Davis & Harman prepared an analysis of issues raised in the ABLE legislation which were discussed with the Committee and at each Board meeting. Davis & Harman also responded to inquiries regarding the legislation from a number of Hill offices as well as private-sector stakeholders. The Committee regularly discussed the progress of the ABLE bill on its regular legislative and regulatory calls. Davis & Harman visited with lead sponsors Rep. Ander Crenshaw and Senator Bob Casey regarding the prospects for the bill. Davis & Harman monitored and prepared a report for the membership on the July 23, 2014, Senate Finance Committee hearing on ABLE.

In anticipation of the Ways and Means July 31, 2014, markup of ABLE, Davis & Harman prepared a report for the membership. Davis & Harman also explored with staff of Rep. Jenkins and Ways and Means Committee staff the possibility for inclusion of positive 3 December 15, 2014 529 amendments, including changes in the investment direction limitations. Davis & Harman reviewed Chairman Camp’s substitute, monitored the markup, and prepared a report on it for the membership.

After reviewing and discussing the revised bill language with the Committee and Executive Committee, Davis & Harman shared CSF’s concerns on the ABLE bill with a wide range of key Hill staff and had lengthy conversations with all of the lead players in the ABLE debate (including staff for all the bill’s lead sponsors (Sens. Casey and Burr and Reps. Crenshaw and Van Hollen); senior Ways and Means Committee Republican staff; Republican and Democrat staff for the Finance Committee); and Republican Senate leadership staff. Randy Hardock also had lengthy discussions with the staff of the Joint Committee on Taxation, Congressional Budget Office (CBO), and the congressional tax writing committees. Randy Hardock analyzed the CBO estimate on ABLE and discussed it with the Committee.

On August 14, 2014, CSF Chair Mary Morris, Committee Co-chair Chris McGee, and Randy Hardock and Barbara Pate met with Ways and Means Committee staff, Senate Finance Committee staff, and staff of Senator Richard Burr (R-NC) to discuss concerns with the ABLE bill. Davis & Harman continued to explore all opportunities for the 529 investment change, as well as other issues raised by the membership. Randy Hardock discussed the Committee report language on the investment issue with senior Ways and Means Committee staff. Randy Hardock reviewed the Ways and Means Committee report and prepared for the Committee’s review language for legislative history on the issue, and explored with key staff the possibility of a floor colloquy.

Davis & Harman monitored and prepared reports for the membership on the December 2, 2014, House Rules Committee action and the December 3, 2014, floor debate and passage of ABLE. Davis & Harman continues to monitor Senate consideration of ABLE in anticipation of its passage before the end of the 113th Congress.

The Committee and Davis & Harman monitored and reported to the membership on a number of other legislative initiatives affecting 529 plans including:

**S. 2882 McConnell 529 Bill** -- On September 18, 2014, Senate Republican Leader Mitch McConnell (R-KY) introduced S. 2882, the Enhanced 529 - Setting Aside for Valuable Education Act. S. 2882 is almost identical to H.R. 529, legislation introduced earlier in the House by our 529 champion Rep. Lynn Jenkins (R-KS). In developing the bill, Senator McConnell’s staff reached out to Randy Hardock to discuss additional provisions for possible inclusion in S. 2882.

**Children’s Savings Accounts --** In his first speech as Finance Committee Chair, Senator Wyden discussed his interest in children’s savings accounts. The Committee and Davis & Harman researched legislation and non-profit organization reports on this issue and monitored for any activity on the proposals. 4 December 15, 2014

**H.R. 880 and S. 410, the Wall Street Trading and Speculators Tax Act**, which imposes a .03% excise tax on the purchase of a security if: (1) such purchase occurs or is cleared on a trading facility located in the United States, or (2) the purchaser or seller is a U.S. person.

**H.R. 1032, the Making College Affordable Act**, which increases the age limit for beneficiaries of Coverdell Education Savings Accounts and increases the maximum contribution limit in any taxable year from $2,000 to $10,000.

**H.R. 2965, the Help Kids Save for College Act**, which excludes from the gross income of an employee amounts, up to $1,000, paid by an employer to a qualified college savings assistance plan for a designated beneficiary.

**H.R. 3977, the School Choice Educations Savings Account Act**, which would allow 529 funds to be used for qualified elementary and secondary educational expenses.

**H.R. 3029, the College Savings Enhancement Act,** which directs the Securities and Exchange Commission (SEC) to revise specified regulations so as to include: (1) qualified prepaid tuition programs under the definition of a qualified institutional buyer (with respect to private resales of securities to institutions), and (2) as accredited investors any qualified prepaid tuition programs whose total assets exceed $5 million.

**Other Legislation --** The Committee and Davis & Harman monitored and reported to the membership on a number of other legislative initiatives including:

**H.R. 1911, the Bipartisan Student Loan Certainty Act**, which sets federal student loan interest rates based on the 10-year Treasury note rate.

**Higher Education Act Reauthorization** -- In 2014, the House Education and the Workforce and the Senate HELP Committee continued to examine various issue areas to prepare for the Higher Education Act Reauthorization. Davis & Harman monitored the activities -- particularly with respect to student loans and grants and meeting the needs of contemporary students. Davis & Harman monitored committee markups and floor action on H.R. 3136, H.R. 4984 and H.R. 4983, Higher Education Act Reauthorization component bills. Davis & Harman discussed higher education and 529 issues with Education and the Workforce Chairman John Kline (R-MN) and Rep. Virginia Foxx (R-NC), Chair of the Education and the Workforce Subcommittee on Higher Education.

**Other Activities:**

***Bobrow* Tax Court Decision –** Davis & Harman prepared extensive materials and briefed the Committee and the Board on the possible application of the Bobrow case on rollovers between 529 plans. Randy Hardock had a number of informal conversations with key officials at the Treasury and IRS in connection with that matter and the decision was made to delay requesting specific guidance from the government, at least for the time being.

5 December 15, 2014

**Department of Treasury Consideration of Guidance on Frequency of Investment Changes** -- In April 2014, Davis & Harman prepared a letter to the IRS and Department of Treasury that CSF submitted requesting that the investment change issue be put on the Treasury-IRS 2014-2015 Guidance Priority List. To date, Treasury has not indicated any intention to provide administrative relief and our request will presumably become moot if the ABLE legislation is enacted.

**Monitoring Trade Association Activities Associated with Education Issues** -- In 2014, Davis & Harman monitored activities and events of numerous trade associations and organizations to determine any potential impact on 529 plans and to review other areas of interest to the membership. These areas included, among others, borrowing and debt issues and costs of college.

**Japanese Delegation Meeting** -- Randy Hardock from Davis & Harman and CSF Chair Mary Morris met with Japanese officials regarding 529 plans and retirement savings issues.

**CSF Newsletter --** Davis & Harman prepared a report on the November election results for inclusion in the inaugural CSF newsletter.

Chris McGee, Co-Chair of the Legislative Legal and Regulatory Committee, provide a report on regulatory activities.

**MSRB/SEC/MISC**

1. *MSRB "Diving into the Documents" Series: Why Financial Disclosure Matters*. December 14, 2014. This is the sixth and final installment of the MSRB’s six-week investor education video series explores the importance of financial disclosures for investors. To watch go to: <http://www.msrb.org/sitecore/content/Home/EducationCenter/video-player.aspx?section=2&video=2&hash=bx1jugtflk>
2. *MSRB Adopts Best-Execution Rule to Enhance Fairness and Efficiency in the Municipal Securities Market*. December 8, 2014. The MSRB has received approval from the SEC to require municipal securities dealers to seek the most favorable terms reasonably available for their retail customers’ transactions. While investors are already protected from unfair pricing practices under long-standing MSRB rules, the new “best-execution” rule will establish explicit standards for how dealers handle and execute customer orders for municipal securities. (<http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Adopts-Best-Execution-Rule.aspx> ). See information about an educational webinar on this new rule in the Webinar Section below.
3. *MSRB "Diving into the Documents" Series: Why Financial Disclosure Matters*. December 5, 2014. This is the fifth installment of the MSRB’s six-week investor education video series explores the importance of financial disclosures for investors. To watch go to: <http://www.msrb.org/sitecore/content/Home/EducationCenter/video-player.aspx?section=2&video=1&hash=bx1jugtflk>
4. *Self-regulatory Organizations; Proposed Rule Changes by the MSRB*. December 5, 2014. Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change Consisting of Proposed Amendments to MSRB Rules G-1, on Separately Identifiable Department or Division of a Bank; G-2, on Standards of Professional Qualification; G-3, on Professional Qualification Requirements; and D-13, on Municipal Advisory Activities
5. *MSRB to Accept Disclosures about Municipal Asset-backed Securities*. November 25, 2014. The MSRB announced the effectiveness of a change to the Electronic Municipal Market Access (EMMA®) service to add disclosures related to municipal asset-backed securities required under Securities Exchange Act Rule 15Ga-1. The change will provide for the collection and public dissemination of certain disclosures related to municipal asset-back securities. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-to-Accept-Disclosures-about-Municipal-Asset-backed-Securities.aspx>
6. *MSRB "Diving into the Documents" Series: Why Financial Disclosure Matters*. November 21, 2014. This is the fourth installment of the MSRB’s six-week investor education video series explores the importance of financial disclosures for investors. To watch go to: <http://www.msrb.org/sitecore/content/Home/EducationCenter/video-player.aspx?section=2&video=0&hash=bx1jugtflk>
7. *MSRB Proposes Professional Qualification Standards for Municipal Advisors*. November 19, 2014. The MSRB filed a proposal for approval from the SEC to create baseline standards of professional qualification for municipal advisors. The proposed amendments to the MSRB’s existing Rule G-3 on professional qualifications establish two classifications of municipal advisor professionals, representative and principal, with firms required to designate at least one principal to oversee the municipal advisor activities of the firm. The proposed rule change also will require each municipal advisor representative and principal to take and pass a qualification test. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Proposes-Professional-Qualification-Standards-for-Municipal-Advisors.aspx>
8. *FINRA and MSRB Release Proposals to Provide Pricing Reference Information for Investors in Fixed Income Markets.* November 17, 2014. FINRA and the MSRB released companion proposals that would require disclosure of pricing reference information on customer confirmations for transactions in fixed income securities. Comments should be submitted to FINRA and the MSRB no later than January 20, 2014. <http://www.msrb.org/News-and-Events/Press-Releases/2014/FINRA-and-MSRB-Release-Proposals-to-Provide-Pricing-Reference-Information-for-Investors.aspx>
9. *MSRB "Diving into the Documents" Series: Where to Find Official Statements on EMMA®.* November 14, 2014. The MSRB released the third installment of its six-week investor education video series shows investors how to find a bond's official statement anytime on EMMA. To watch go to: <http://www.msrb.org/sitecore/content/Home/EducationCenter/video-player.aspx?section=1&video=2&hash=bx1jugtflk>
10. *MSRB "Diving into the Documents" Series: What’s Inside an Official Statement*? November 7, 2014. The MSRB released the second installment of its six-week investor education video series delves into topics inside an official statement. To watch go to: <http://www.msrb.org/sitecore/content/Home/EducationCenter/video-player.aspx?section=1&video=1&hash=bx1jugtflk>
11. *MSRB Produces Podcast for Municipal Advisors on Being Regulated*. November 4, 2014. <http://www.msrb.org/EducationCenter/library/podcasts.aspx>
12. *MSRB Holds Quarterly Board Meeting*. November 3, 2014. The Board of Directors of the MSRB held its quarterly meeting October 29-31, 2014 where it focused on regulatory and market transparency initiatives aimed at promoting a fair and efficient municipal securities market, and held its annual policy meetings with the chairs of the SEC and FINRA. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Holds-Quarterly-Meeting-October-2014.aspx>
13. *MSRB Creates Supervision and Compliance Requirements for Municipal Advisors*. October 24, 2014. The MSRB received approval from the SEC to create the first new rule for municipal advisors since the SEC released its final registration rule for these professionals in September 2013. New MSRB Rule G-44 establishes baseline supervisory and compliance obligations for municipal advisors. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Creates-Supervision-and-Compliance-Requirements-for-Municipal-Advisors.aspx>
14. *MSRB Requests Comment on Extending its Gifts Rule to Municipal Advisors*. October 23, 2014. The MSRB is requesting comment on a proposal to establish limitations on gifts given by municipal advisors in their professional capacity. The draft amendments to the MSRB’s existing gifts rule for dealers, Rule G-20, are designed primarily to extend the provisions of the rule to municipal advisors. Comments are due no later than December 8, 2014.
15. *MSRB Invites Municipal Securities Investors to Educational Video Series: Diving into the Documents*. October 22, 2014. The MSRB today announced that it is offering a free six-week video series to educate municipal securities investors about fundamental disclosure documents. Each installment of the “Diving into the Documents” video series will be distributed to subscribers of the MSRB’s investor education email list beginning October 31, 2014. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Invites-Municipal-Securities-Investors-to-Educational-Video-Series-on-Diving-into-the-Documents.aspx>
16. *MSRB Announces Regulatory Topics to be Discussed at Upcoming Board Meeting*. October 22, 2014. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Requests-Comment-on-Extending-its-Gifts-Rule-to-Municipal-Advisors.aspx>
17. *MSRB Strengthens Continuing Education Requirements for Municipal Securities Dealers*. October 17, 2014. The MSRB today received approval from the SEC to require dealers to provide annual municipal securities training for registered persons who are regularly engaged in or supervise municipal securities activities.

The amendments to MSRB Rule G-3 take effect January 1, 2015. The MSRB will host an educational webinar about the rule amendments on December 4, 2014 at 3 p.m. EDT. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Strengthens-Continuing-Education-Requirements-for-Dealers.aspx>

1. *Dealers seek increase in Municipal Advisor’s political contribution limits. The Bond Buyer*. October 1, 2014. Dealers are asking the MSRB to increase the de minimus limit on political contributions from municipal advisors to $350 from $250. Leslie Norwood, co-head of municipal securities at SIFMA, said the group is encouraging harmonization of de minimis limits to ensure the rule is in compliance with a mandate from the Supreme Court. Also, individuals who previously were regulated by rules from the SEC or the Commodity Futures Trading Commission should be exempt from the MSRB's proposed rule, according to SIFMA <http://www.bondbuyer.com/news/washington-securities-law/dealers-raise-limit-in-g-37-proposal-for-mas-1066632-1.html>
2. *MSRB Seats New Board and Begins Fiscal Year*. October 1, 2014. The MSRB today began its 2015 fiscal year and seated the 21-member Board of Directors that establishes regulatory policies and oversees the operations of the MSRB. <http://www.msrb.org/News-and-Events/Press-Releases/2014/MSRB-Seats-New-Board-and-Begins-Fiscal-Year.aspx>
3. *MSRB Reminds Dealers of September 30, 2014 Effective Date for Amendments to Rules G-3, G-7 and G-27*. September 23, 2014. The MSRB reminds municipal securities dealers that amendments to MSRB Rule G-3, on professional qualifications, become effective on September 30, 2014. The amendments narrow the activities permitted of Limited Representatives – investment company and variable contracts products (Series 6 representatives) exclusively to sales to and purchases from customers of municipal fund securities (such as interests in 529 college savings plans); eliminate the Financial and Operations Principal (FINOP) classification, qualification and numerical requirements; and clarify in supplementary material that the term “sales” as used in Rule G-3 includes the solicitation of sales of municipal securities. In order to clarify MSRB rules and to conform other rules to the amendments, the MSRB has made several technical amendments to Rule G-3 and non-substantive conforming amendments to MSRB Rules G-27 and Rule G-7. <http://www.msrb.org/~/media/Files/Regulatory-Notices/Announcements/2014-13.ashx?n=1>

**Webinars**

1. The MSRB and FINRA are hosting a joint educational webinar on companion rule proposals that would require disclosure of pricing reference information on customer confirmations for transactions in fixed income securities. The free webinar will take place Thursday, December 18, 2014 at 3:00 p.m. ET. The goal of the webinar is to help market participants submit meaningful comments in response to the rule proposals. To register go to: <https://event.on24.com/eventRegistration/EventLobbyServlet?target=reg20.jsp&eventid=903717&sessionid=1&key=DBF6EA230E937245C85953C498385841&sourcepage=register>

As stated above, new MSRB Rule G-18 takes effect December 7, 2015. The MSRB will host an educational webinar about the key provisions of the rule on February 5, 2015 at 3:00 p.m. ET.  To register for the webinar go to: <http://www.msrb.org/News-and-Events/Upcoming-Events.aspx>

**Upcoming Conferences**

CSF 2014 Conference, March 3-5, 2015, Stephen F. Austin Intercontinental Hotel, Austin Texas.

NAST Treasury Management Training Symposium, May 12-15, 2015, Westin Crown Center, Kansas City, Missouri.

**Next LLRA Meeting**: January 7, 2014 @ 1:30 p.m.

**9) Membership Committee**

Rich Polimeni, Co-Chair of the Membership Committee gave the report. He mentioned that CSF got 5 new members in 2015 – 2 new Board members and 3 new associate members.

Rich discussed a new membership level for companies that sell 529 plans but are not program managers. Such firms would be Morgan Stanley, UBS, Raymond James, Edward Jones, and Wells Fargo. There was discussion about this and a recommended approach could be for those firms with 5,000 reps and above, the dues would be $10,000 and for those with 5,000 reps or less the dues would be $5,000. Roger Michaud will work on this with the Chair/Co-Chairs of the Membership Committee and get back to the Board. This will require a bylaws change and it is anticipated that CSF will look at this during the June Board meeting.

**11) 529 Administrative Issues Task Force**

There was no report for the Task Force.

**12) Marketing Task Force**

Regina Carmon and Vivian Tsai, Co-Chairs of the Marketing Task Force gave the report. They reported that the Task Force is developing an advisor survey that will be released in January 2015.

The Survey Audience: Paid Investment News distribution – 10,000 Financial Planners/ CPAs (@$495/1000 emails ~ $5,000)

SavingforCollege distribution (unpaid)

Linkedin Groups distribution (unpaid)

CSF membership distribution (unpaid)

Survey Incentive\*:

1 x iPad Mini 3 drawing (~$399)

4 x $25 Amazon Gift Cards ($100)

\* To qualify for Incentive, Advisor must provide contact information – Name, Firm Name, Phone & Email address

The Task Force also worked with the Media Committee to release various survey data on social media throughout the year.

**13) Other Business**

There was no other business reported

The meeting was adjourned at 12:55 p.m.