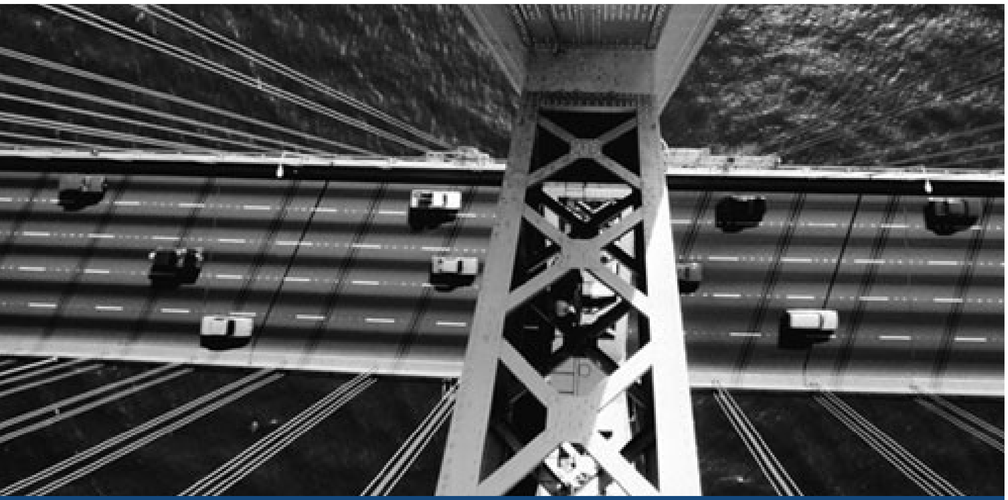

ANNUAL REPORT 2011

MUNICIPAL SECURITIES RULEMAKING BOARD

MSRB
Municipal Securities
Rulemaking Board

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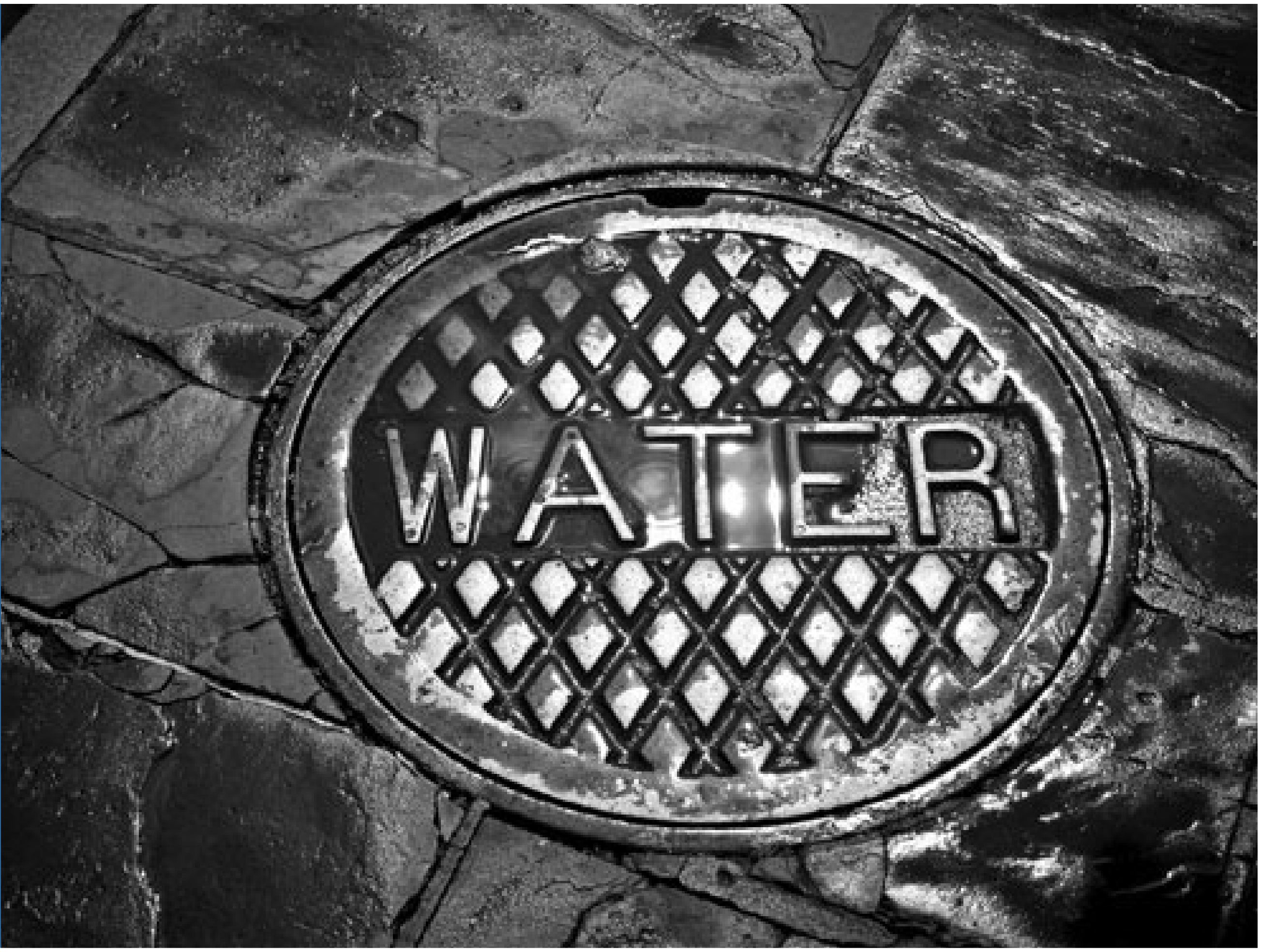


About the MSRB

The Municipal Securities Rulemaking Board (MSRB) protects investors, issuers of municipal securities and entities whose credit stands behind municipal securities and public pension plans by promoting a fair and efficient municipal market. The MSRB fulfills this mission by regulating securities firms, banks and municipal advisors that engage in municipal securities and advisory activities. To further protect market participants, the MSRB promotes disclosure and market transparency through its Electronic Municipal Market Access (EMMA®) website, provides education and conducts extensive outreach. The MSRB has operated under Congressional mandate since 1975.

The MSRB Board of Directors is composed of 21 members, including members of the public, municipal securities dealers and municipal advisors, and is a self-regulatory organization subject to oversight by the Securities and Exchange Commission. Members of the MSRB meet throughout the year to make policy decisions, approve rule-making, enhance information systems and review developments in the municipal securities market. The operations of the MSRB are primarily funded through assessments on dealers and municipal advisors. A professional staff in Alexandria, Virginia manages the MSRB's day-to-day operations.

LETTER FROM THE CHAIR

Last year represented a historic shift in the regulatory structure of the municipal market. The MSRB transitioned from a regulator of firms that underwrite and trade municipal securities to one with a broader mandate with the authority to also oversee municipal advisors.

This change has been accompanied by a shift in the composition of the MSRB Board of Directors from a majority of members representing regulated financial professionals to a majority of members representing the public.

At the same time, market and economic forces weighed considerably on municipal issuance and other activity. We continued to see the impact of the credit crisis that began in 2008 and affected all financial markets.

In August 2011, a major credit rating agency reduced the U.S. sovereign credit rating for the first time in history. This rating change affected some of the state and local government debt linked directly or indirectly to the U.S. sovereign credit rating.

New issuance of municipal bonds declined significantly in 2011 as state and local governments faced difficult financial decisions, including how to meet obligations associated with pension funds, an important source of retirement income for many former municipal employees.

The MSRB plays an important role in regulating the financial intermediaries in the municipal market and we act, within our jurisdiction, to address issues affecting the municipal market. The MSRB does not control investment outcomes or the value of municipal securities, but it does seek to ensure that the market operates fairly and efficiently.

More than ever, the MSRB recognizes the importance of ensuring investors and state and local governments have the information they need to make informed financial decisions. The MSRB's EMMA website has allowed the public to easily access a wealth of information about municipal bonds—for free. It has also transformed the way state and local government issuers communicate important information to investors.

As Chair of the MSRB, I believe it is important to discuss our initiatives with market participants to generate as much feedback as possible to help us make appropriate regulatory decisions. Robust and open discourse undoubtedly produces the best possible outcomes for the market.

I look forward to continuing to work with market participants to promote the fairness and efficiency of this vital market.

Alan Polsky
Chair, Fiscal Year 2012

IN 2011, THE MSRB INITIATED IMPORTANT SAFEGUARDS FOR MUNICIPAL ENTITIES AND INVESTORS.

LETTER FROM THE EXECUTIVE DIRECTOR

As an organization, the MSRB strives day in and day out to ensure the fair and efficient operation of the municipal market. The MSRB helps to ensure that state and local governments and investors are not defrauded or otherwise treated unfairly by market intermediaries working on their behalf.

Doing so requires a coordinated effort guided by a Board of Directors with the authority both to write rules for regulated entities and oversee the operations of the MSRB. This Annual Report outlines the work of the MSRB during fiscal year 2011 on behalf of investors and municipal entities.

In 2011, the MSRB initiated important safeguards for state and local governments that issue bonds—including rulemaking efforts related to the obligations of municipal securities dealers and municipal advisors. We also addressed conflicts of interest associated with financial advisor and underwriter role-switching during municipal bond transactions. These regulations will strengthen the foundation for issuer protection.

The MSRB continues to focus on investor protection and we promoted fair pricing for individual investors in the secondary market in 2011.

The MSRB remains committed to improving market transparency.

During 2011 we made numerous enhancements to our EMMA website that provide additional information to the market, including expansion of disclosures associated with variable rate demand obligations and additional continuing disclosure information. Just as the calendar year closed, the MSRB began to display credit ratings on EMMA.

Last year, the MSRB also formalized its market leadership function to ensure the organization stays apprised of market activities. The MSRB operates in a unique position at the nexus of market activity and can provide expertise and recommendations on particular issues. The MSRB does not represent or advocate on behalf of any segment of the market but does have the obligation to provide leadership when it believes that doing so will result in a fairer and more efficient market for all participants.

As we head into 2012, the MSRB is positioned to fulfill its mission to protect municipal entities and investors, and serve the market as a whole by ensuring that information is available for all participants to make informed decisions that meet their needs.

Lynnette Kelly
Executive Director

Market Regulation

MSRB rules, which have the force of federal law, seek to ensure that investors and issuers are treated fairly and that they have information to make informed financial decisions. After careful consideration of alternatives, the MSRB proposes rules that undergo a thorough review process, which includes public comment periods and approval by the Securities and Exchange Commission (SEC), before they are adopted to allow for consideration of the interests of all market participants. The MSRB also issues interpretations of its rules, which also have the force of federal law when approved by the SEC.

The MSRB sets rules for several different types of financial professionals, including municipal securities underwriters. During 2011, the MSRB saw the need to clarify the relationship of an underwriter to its issuer client as a way of protecting the issuer's interests. The MSRB proposed an interpretation of its fair dealing rule that establishes for the first time comprehensive guidance on the professional conduct issuers can expect from their underwriters in terms of representations, disclosures, compensation, new issue pricing and conflicts of interest.

IMPLEMENTING DODD-FRANK

When state and local governments issue new bonds, they often hire municipal advisors, sometimes called financial advisors, to represent their interests. Last year, the MSRB began to lay the foundation for municipal advisor regulation, as called for by Congress in the Dodd-Frank Wall Street Reform and Consumer Protection Act. Under the Dodd-Frank Act, municipal advisors owe a federal fiduciary duty to state and local governments when providing financial advice.

In 2011, the MSRB proposed a series of new rules and related interpretive notices to establish the key principles that would govern the regulation of municipal advisors. The MSRB expects to complete this initial phase of municipal advisor rulemaking in 2012 in conjunction with the SEC's completion of its own pending rule proposal to more clearly delineate the breadth of professionals covered by the Dodd-Frank Act's new regulation of municipal advisors.

The MSRB proposed a new rule and an associated interpretation covering the details of an advisor's fiduciary duty that would require municipal advisors to act in the best interests of their state or local government clients, disclose all material conflicts of interest, not undertake an engagement when an unmanageable conflict exists, and not charge excessive compensation. If approved, it also would require municipal advisors to review reasonably feasible alternatives to proposed products and transactions, and conduct a reasonable inquiry into the facts necessary to support representations made in certificates.

PROHIBITING CONFLICTS OF INTEREST

Prohibiting conflicts of interest on the part of financial professionals that could undermine the integrity of the municipal market is an important aspect of many MSRB regulations. One form of conflict of interest in the municipal market can occur if financial professionals seek to influence the award of business by government officials by making political contributions to those officials or soliciting them on their behalf. This activity can have a negative impact on market fairness and public confidence in elected officials.

The MSRB restricts these so called pay-to-play activities of dealers and last year proposed similar restrictions for municipal advisors. In 2011, the MSRB also proposed amending its rules to limit municipal advisor gift-giving, just as the MSRB's gift rule already does for dealers.

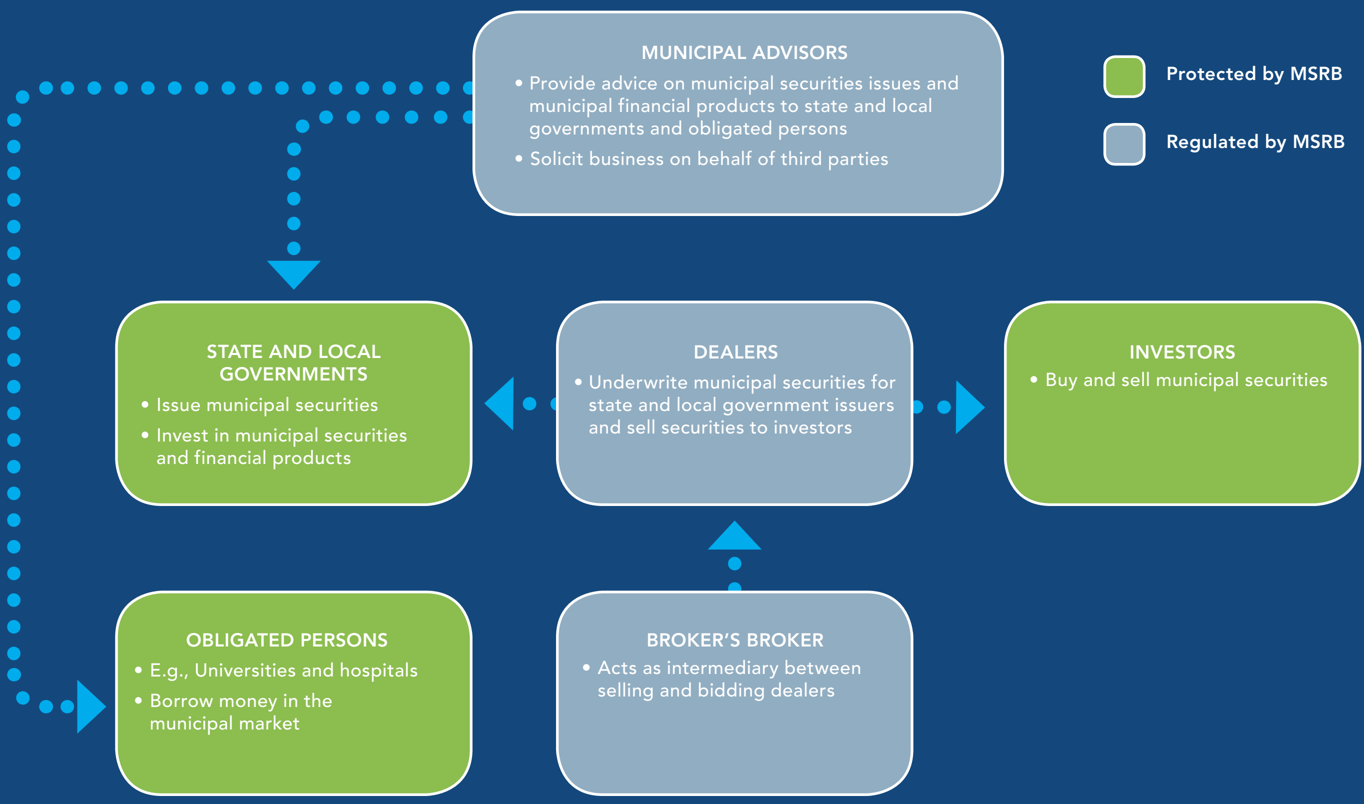
A rule change adopted by the MSRB to address potential conflicts of interests in the municipal securities market went into effect in 2011. The MSRB prohibited the practice of a dealer serving as a financial advisor to a state or local government client in connection with a new issue and then acting as an underwriter on the same transaction.

ESTABLISHING PROFESSIONAL QUALIFICATIONS

It is important that financial professionals in the municipal market have the qualifications necessary to provide their services competently to investors and state and local governments. MSRB rules govern the qualification, classification, disqualification, disciplinary actions and related professional requirements for municipal securities brokers and dealers. During 2011, the MSRB began developing similar qualifications for municipal advisors and is in the process of developing a draft content outline for a qualifying exam.

In 2011, the MSRB also acted to address an important investor protection issue. Brokers that buy and sell municipal securities often use the services of "broker's brokers" to help complete transactions. The conduct of

The MSRB and Municipal Market Regulation



broker's brokers with respect to pricing often is directly linked to the prices individual investors pay in the secondary market for municipal securities. In 2011 the MSRB requested comment on a draft rule that would govern the conduct of broker's brokers.

REGULATORY SUPPORT

The MSRB's market regulation activities include providing enforcement support to the regulatory authorities that enforce MSRB rules, including the SEC, the Financial Industry Regulatory Authority (FINRA) and federal bank regulators. The MSRB meets regularly with these fellow municipal market regulators to discuss proper enforcement of MSRB rules and interpretations as well as to discuss other market issues. The MSRB ensures that data from its information systems are available for enforcement activities and regularly trains regulators on using MSRB data for enforcement purposes. In 2011, the MSRB for the first time entered into an agreement to provide municipal market data to the Internal Revenue Service in connection with its enforcement of tax laws related to municipal securities. The MSRB also amended its rule regarding compliance examinations of broker-dealers and began working closely with FINRA to institute a risk-based method of ensuring that market participants remain in compliance with key MSRB rules.

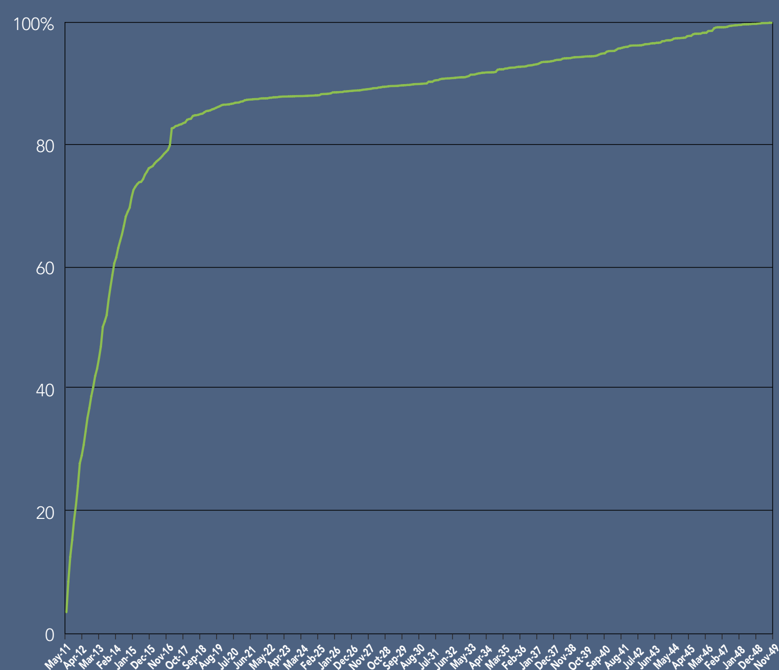
Market Transparency

A key way the MSRB protects investors and municipal entities in the municipal market is by making market information as transparent and widely available as possible. By providing free access to municipal bond offering documents, continuing disclosures, trade data, interest rates and other information, investors and others can better understand the terms, characteristics and risks of a particular security. At the same time, the mechanisms of a transparent market allow issuers of municipal securities to provide information to existing and potential investors, and to gain a comprehensive view of the marketplace allowing them to compare their securities with other bonds.

ADDING TRANSPARENCY TO VRDOS

The MSRB's EMMA website provides unprecedented access to municipal bond data and disclosures—for free. In 2011, the MSRB continued its effort to enhance EMMA in ways that reflect changes in the marketplace. With the sharp increase in the expiration of liquidity facilities backing variable rate demand obligations (VRDOs) (see graph), the MSRB began making available to investors for the first time, documents that describe the liquidity features of VRDOs, such as letters of credit and stand-by purchase agreements.

PERCENTAGE OF VRDO PAR OUTSTANDING BY LIQUIDITY FACILITY EXPIRATION DATE



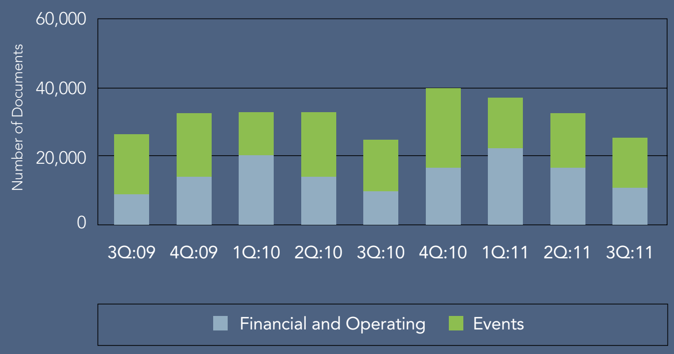
According to a July 2011 MSRB report, approximately 44%, or $142 billion, of liquidity facilities supporting VRDOs are set to expire by the end of 2012. The MSRB now makes documents describing a VRDO's liquidity features available on EMMA.

The MSRB also made additional information about auction rate securities available on EMMA in 2011, including bidding information on auction rate securities and documents describing auction procedures and how interest rates are set. While the market for auction rate securities has entered into a period of prolonged distress in recent years, transparency surrounding auction procedures allows investors who continue to hold auction rate securities and others to better understand important technical aspects of these securities. EMMA also displays a bid-to-cover ratio for each auction rate security.

During fiscal year 2011, the MSRB published a report summarizing key information submitted to the MSRB about VRDOs and ARS from early 2009 through April 2011. During this time,

THE MSRB'S EMMA® WEBSITE PROVIDES UNPRECEDENTED ACCESS TO MUNICIPAL BOND DATA AND DISCLOSURES FOR FREE.

NUMBER OF CONTINUING DISCLOSURES SUBMITTED TO THE MSRB
July 2009–September 2011



The MSRB's EMMA system has been the official repository for continuing disclosure documents since July 1, 2009. These documents provide investors with important financial and event-based information about municipal bonds.

approximately 2.15 million municipal VRDO rate resets and 68,061 ARS rate resets were reported to the MSRB.

In 2011, the MSRB supported more timely dissemination of continuing disclosure information in the marketplace by providing a visual display on EMMA of the date by which issuers of municipal bonds are expected to make annual financial information available so that investors can assess the timeliness of actual disclosures made each year. The MSRB also created a venue for state and local government issuers to indicate to the public on EMMA their commitment to provide their annual financial information on an accelerated basis as well as their adherence to generally accepted accounting principles. The MSRB also began displaying a confirmation from bond underwriters of issues for which the bond issuer has made a commitment to provide ongoing disclosures consistent with federal anti-fraud laws.

CONTINUING DISCLOSURE REPORTING

As part of its mission to educate about the municipal market, the MSRB periodically publishes reports summarizing key data it collects. Last year, the MSRB published its first report analyzing the type and number of continuing disclosure documents for municipal securities available on EMMA. Between July 2009 and June 2011, the MSRB received 258,162 continuing disclosure documents, of which approximately 46 percent constituted financial and operating disclosures and approximately 54 percent constituted event disclosures.

In addition to information displayed on EMMA that is submitted by state and local governments under continuing disclosure agreements, issuers can also voluntarily provide investors with access to key pre-sale documents. The MSRB launched this capability in May 2011 through an EMMA enhancement that displays certain pre-sale information, including preliminary official statements, voluntarily submitted by state and local government issuers.

STUDYING MARKET STRUCTURE

The MSRB also promotes municipal market transparency and a fair and efficient market through the collection and broad dissemination of post-trade municipal securities transaction data. During 2011, the MSRB began an important study reviewing transaction costs, price dispersion and other market data to help the MSRB assess whether the market is operating as efficiently and fairly as possible. The results of this study, expected in 2012, will assist the MSRB in evaluating further potential improvements to pricing mechanisms and liquidity in the market.

As part of its market transparency operations, the MSRB also collects official statements for municipal securities, which are available on EMMA and provide instantaneous marketwide access to key primary market disclosures. The MSRB also collects disclosures about political contributions made by municipal securities dealers pursuant to the MSRB's precedent-setting pay-to-play rule. These disclosures are accessible to the public on the MSRB's website, at www.msrb.org.

Market Facts

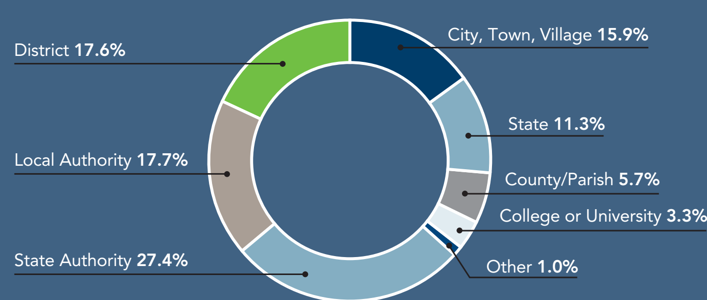
After reaching a record in 2010, municipal bond issuance fell sharply in 2011 through September, and was expected to end the year at the lowest level since 2002.

ANNUAL ISSUANCE OF MUNICIPAL SECURITIES
2000–2011*

*As of September 30, 2011
Source: Thomson Reuters

State authorities accounted for the largest share of municipal bond issuance in 2011 through September, and together with local authorities and districts, accounted for nearly two-thirds of overall volume.

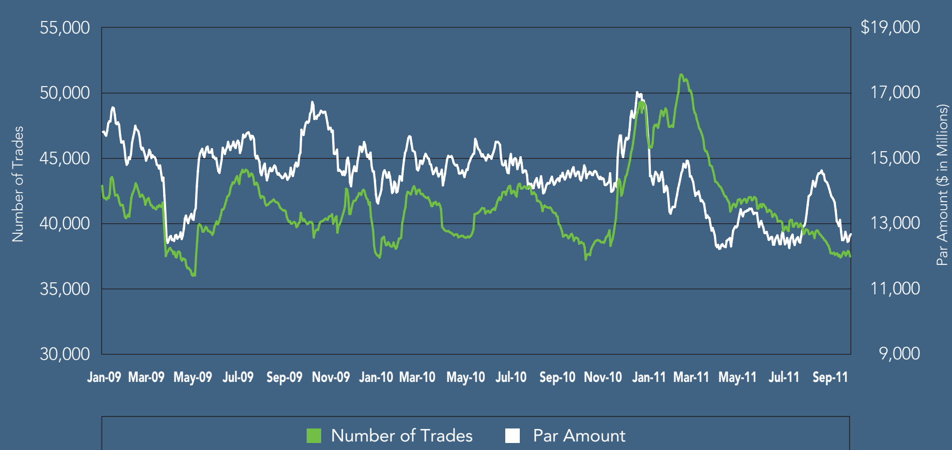
ISSUANCE OF MUNICIPAL SECURITIES BY ISSUER TYPE
2011*



*As of September 30, 2011
Source: Thomson Reuters

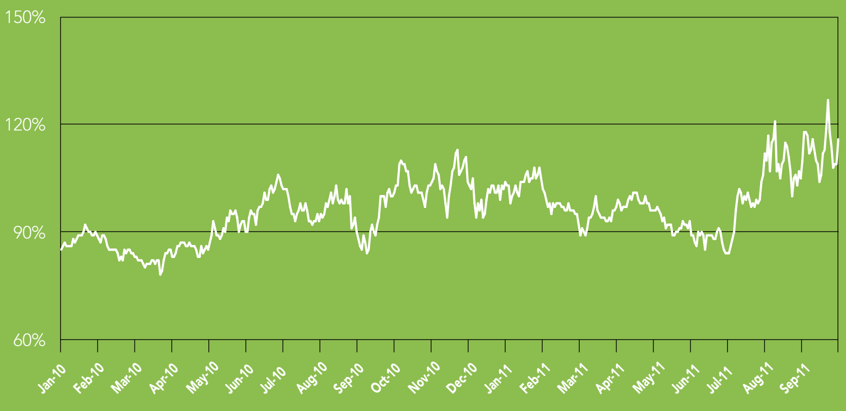
Trading activity of municipal bonds remained strong through the first nine months of 2011 and was on pace to surpass 10 million trades for the fourth consecutive year.

MUNICIPAL TRADING VOLUME
30-Day Trailing Average



Yields on municipal securities as a percentage of U.S. Treasuries spiked in August and September 2011, following the downgrade of the U.S. sovereign credit rating by Standard & Poor's.

MUNICIPAL YIELDS AS A PERCENTAGE OF TREASURY YIELDS
10-Year Maturity
January 2010–September 2011



Source: Bloomberg

Market Leadership

MSRB Executive Director Lynnette Kelly testifies before the U.S. Senate Committee on Banking, Housing and Urban Affairs.

The MSRB stays apprised of events and activities affecting the municipal market and acts within its jurisdiction to address them when needed. Monitoring the market and offering possible solutions helps ensure that MSRB initiatives appropriately address challenges and are relevant to market conditions.

For example, the MSRB often lends expertise to other regulators whose jurisdiction includes aspects of the municipal market, with the goal of providing an important perspective with which to make policy decisions.

During 2011, the MSRB provided the Securities and Exchange Commission (SEC) extensive written comments on its proposed final rule regarding the definition of municipal advisors. The MSRB generally supported the SEC's proposal, but suggested refinements to certain definitions and recommended that members of governing bodies of state and local governments be excluded from the definition of "municipal advisor" since Congress did not intend to regulate municipal entities' internal activities.

During 2011, the MSRB also submitted comments to the SEC on the updating of its guidance on federal laws governing disclosure in the municipal market.

In recent years with the development and expansion of the EMMA website, the MSRB has become a unifying force in what was previously a fragmented disclosure regime. In its letter to the SEC, the MSRB supported greater transparency in the primary market by recommending that the SEC expand disclosure requirements for variable rate demand obligation bonds, which are currently exempt. The MSRB also suggested that the SEC elaborate on the importance of market professionals' disclosure to investors of risk factors and conflicts of interest.

The MSRB also recommended the SEC improve secondary market disclosure by improving compliance by municipal securities issuers and obligated persons with terms of their continuing disclosure agreements. The MSRB suggested requiring issuers and obligated persons to make robust disclosures of previous breaches of continuing disclosure agreements in official statements for new issues of municipal securities.

TESTIFYING BEFORE CONGRESS

In another demonstration of market leadership in 2011, the MSRB was invited to testify in a hearing before the U.S. Senate Committee on Banking, Housing and Urban Affairs to discuss enhanced investor protection after the 2008 financial crisis. MSRB Executive Director Lynnette Kelly told the Committee about recent MSRB rulemaking and transparency initiatives aimed at protecting investors.

During 2011 the MSRB also participated in field hearings conducted by the SEC to discuss the role of self-regulatory organizations in the municipal market and MSRB initiatives to enhance municipal market transparency, specifically in the area of pre-trade price transparency.

On August 5, 2011, one of the most prominent credit rating agencies in the U.S., Standard & Poor's, downgraded the sovereign debt rating of the U.S. In response, the MSRB published guidance related to the application of MSRB investor protection rules. This guidance expressed concern about the treatment of retail investors and warned that any dealer that uses a financial market disruption to manipulate the pricing of municipal securities would be violating federal securities law.

MONITORING BANK PRODUCTS

Recently, state and local governments have begun using bank products as an alternative to traditional financing options. In response, the MSRB issued an advisory covering certain financings called "bank loans" that could, depending on the nature of the transactions, be placements of municipal securities, as well as certain "direct purchases" by banks of issuers' securities that are subsequently restructured so significantly that they may constitute primary offerings of securities. In cases where these bank products involve municipal securities transactions, the MSRB advised that the financial professionals involved are subject to all applicable MSRB rules and other federal securities laws.

Outreach and Education

As a self-regulatory organization, the MSRB relies on municipal market participants and other stakeholders to provide input that informs the rulemaking process. At the same time, the MSRB seeks to ensure that these stakeholders are aware of regulatory developments that may affect them.

As of October 2010, the MSRB assumed expanded jurisdiction to protect municipal entities, which includes state and local government issuers and public pension plans. To strengthen the MSRB's understanding of the issues affecting state and local governments, and to begin to develop a policy-making framework, the MSRB conducted several outreach forums around the country. In 2011, MSRB staff and Board of Directors members met with audiences around the country to help them understand how the MSRB and the market were changing as a result of the Dodd-Frank Act. The MSRB held outreach events in New York, NY, Chicago, IL, Los Angeles, CA, Austin, TX, Atlanta, GA and Denver, CO to discuss the changes and their implications for market participants.

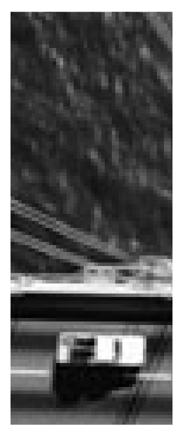
In January 2011, the MSRB hosted a roundtable dedicated to public pension fund issues and also conducted meetings and webinars with state and local government officials to discuss the concerns of issuers in the municipal market.

In 2011, the MSRB also co-hosted regulatory and compliance events with the Bond Dealers of America and the Securities Industry and Financial Markets Association. The MSRB participated in these events, along with staff members from the Securities and Exchange Commission, the Internal Revenue Service and the Financial Industry Regulatory Authority.

Late in the year, the MSRB engaged in meetings and discussions with representatives of state and local governments to better understand how the MSRB could provide educational materials for municipal government officials. These discussions contributed to development of an online "toolkit" that provides information to state and local governments related to regulations governing financial professionals, as well as instructions for using the MSRB's EMMA website.

All MSRB education and outreach events resulted in strengthening relationships between the MSRB and municipal market stakeholders, and demonstrated the MSRB's commitment to a fair rulemaking process.

MSRB EDUCATION AND OUTREACH EVENTS
OCTOBER 2010–2011



Board Members

2011–2012 MUNICIPAL SECURITIES RULEMAKING BOARD

OFFICERS 2011–2012

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ROBERT A. LAMB
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Co-President
Acacia Financial Group
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Dallas, Texas

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Managing Director and
Co-Head of Capital Markets
Citi
New York, New York

DANIEL HEIMOWITZ
Managing Director
RBC Capital Markets
New York, New York

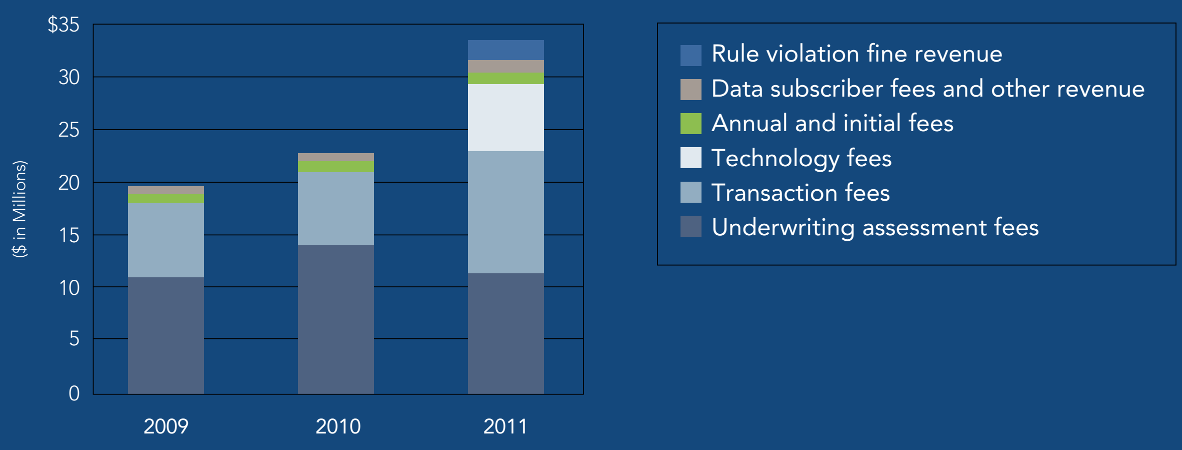
KEVIN L. WILLENS
Managing Director
Goldman, Sachs & Co.
New York, New York

Financial Highlights

REVENUE

The MSRB's mission of protecting investors, issuers of municipal securities and public pension plans by promoting a fair and efficient marketplace requires that the organization have stable and sufficient funding. Accordingly, the MSRB has worked to ensure adequate funding aligned with the associated costs of fulfilling this mission and the organization's regulatory mandate, both of which were expanded in 2011 as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act. In 2011, the MSRB diversified its revenue sources to ensure more balanced and equitable funding. FY 2011 reflects growth in total revenue as a result of targeted efforts to adequately fund operations, coupled with new revenues. Transaction fees paid by municipal securities dealers doubled from $.005 to $.01 per $1,000 par value on January 1, 2011 for most municipal securities sales transactions reported to the MSRB. In addition, technology fees were introduced beginning January 1, 2011, requiring municipal securities dealers to pay a $1.00 per transaction fee for all sales transactions to update, replace, and maintain the MSRB technology systems. The Dodd-Frank Act provides that fines collected by the SEC and/or FINRA for violation of MSRB rules be shared with the MSRB. Accordingly, fine revenue appears for the first time in FY 2011.

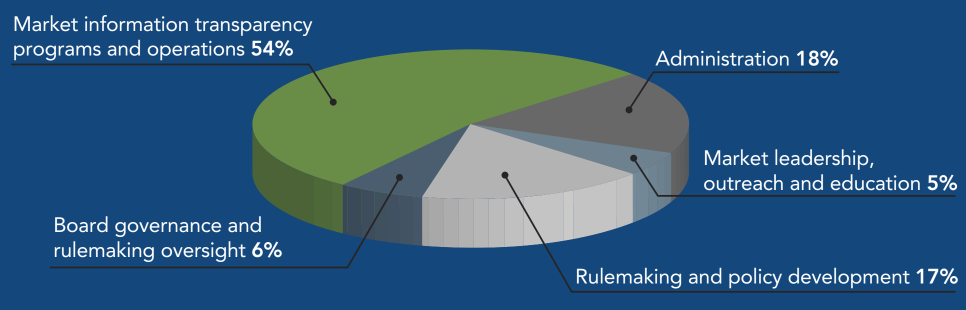
REVENUE



EXPENSES

The MSRB expenses reflect its core mission: rulemaking and policy development; board governance and rulemaking oversight; market information transparency programs and operations; market leadership, outreach and education; and administration. In FY 2011, operating expenses totaled $26,075,879.

EXPENSES



2011 FINANCIAL HIGHLIGHTS

September 30,	**2011**	2010	2009
Statements of Financial Position			
Total Assets	$36,651,410	$29,760,889	$30,777,664
Total Liabilities	3,312,474	3,825,563	4,391,176
Total Net Assets—Unrestricted	33,338,936	25,935,326	26,386,488
Statements of Activities			
Revenue:			
Underwriting assessment fees	11,368,394	13,984,780	10,837,652
Transaction fees	11,348,228	6,940,551	7,150,905
Technology fees	6,280,060	—	—
Annual and initial fees	1,281,200	1,018,821	631,100
Data subscriber fees and other revenue	1,217,774	736,094	1,008,327
Rule violation fine revenue	1,983,833	—	—
Total Revenue	33,479,489	22,680,246	19,627,984
Expenses	26,075,879	23,131,408	21,281,260
Change in Net Assets	$ 7,403,610	$ (451,162)	$ (1,653,276)
Statements of Cash Flows			
Cash Provided from Operating Activities	$ 8,572,169	$ 2,563,789	$ 41,699
Investment in Technology Systems and Other Fixed Assets	$ 4,236,002	$ 3,819,043	$ 5,065,567

Auditor's Letter

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Audit Committee of
Municipal Securities Rulemaking Board
Alexandria, Virginia

We have audited the accompanying statements of financial position of Municipal Securities Rulemaking Board (the "Board") as of September 30, 2011, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Board for the year ended September 30, 2010 were audited by other auditors whose report, dated December 2, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Board as of September 30, 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

December 14, 2011

Member of
Deloitte Touche Tohmatsu

STATEMENTS OF FINANCIAL POSITION

As of September 30,	2011	2010
Assets		
Cash	$ 2,931,963	$ 1,736,866
Accounts receivable—net	6,247,626	3,927,581
Accrued interest receivable	—	72,998
Other assets	440,613	208,804
Investments	19,320,350	16,228,328
Fixed assets—net of accumulated depreciation and amortization of $16,310,663 and $12,782,423 in 2011 and 2010	7,710,858	7,586,312
Total	$36,651,410	$29,760,889
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 1,060,418	$ 1,137,604
Accrued vacation payable	549,789	758,728
Deferred rent	1,642,583	1,814,979
Deferred compensation	59,684	114,252
Total liabilities	3,312,474	3,825,563
Undesignated net assets	30,502,641	25,935,326
Designated technology renewal fund	2,836,295	—
Net assets—unrestricted	33,338,936	25,935,326
Total	$36,651,410	$29,760,889

See notes to financial statements.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended September 30,	**2011**	**2010**
Revenue:		
Underwriting assessment fees	$11,368,394	$13,984,780
Transaction fees	11,348,228	6,940,551
Technology fees	6,280,060	—
Rule violation fine revenue	1,983,833	—
Annual and initial fees	1,281,200	1,018,821
Data subscriber fees	1,021,412	509,547
Professional qualifications examination fees	122,520	92,220
Investment return	60,145	92,715
Publications and other income	13,697	41,612
Total Revenue	33,479,489	22,680,246
Expenses:		
Rulemaking and policy development	4,483,383	4,133,981
Board governance and rulemaking oversight	1,631,778	1,625,522
Market information transparency programs and operations	13,907,119	11,858,000
Market leadership, outreach and education	1,367,044	863,495
Administration	4,686,555	4,650,410
Total Expenses	26,075,879	23,131,408
Change in Net Assets	7,403,610	(451,162)
Net Assets—Beginning of year	25,935,326	26,386,488
Net Assets—End of year	$33,338,936	$25,935,326

See notes to financial statements.

STATEMENTS OF CASH FLOWS

For the years ended September 30,	**2011**	**2010**
Cash Flows from Operating Activities:		
Change in net assets	$ 7,403,610	$ (451,162)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,058,819	3,252,682
Impairment of long-lived assets	37,835	—
Loss on disposal of long-lived assets	14,804	3,980
Net amortization of investment discounts	21,322	187,974
Unrealized loss on investments	27,726	212,133
Bad debt expense	41,073	31,265
Changes in assets and liabilities:		
Accounts receivable	(2,361,117)	(271,191)
Accrued interest receivable	72,998	89,755
Other assets	(231,809)	(23,663)
Accounts payable and accrued liabilities	(77,188)	(472,416)
Accrued vacation payable	(208,940)	52,784
Deferred rent	(172,396)	(92,316)
Deferred compensation	(54,568)	43,964
Net cash provided by operating activities	8,572,169	2,563,789
Cash Flows from Investing Activities:		
Purchases of fixed assets	(4,236,002)	(3,819,043)
Purchases of investments	(30,545,764)	(8,709,421)
Maturities of investments	27,404,694	10,325,000
Net cash used in investing activities	(7,377,072)	(2,203,464)
Cash Flow from Financing Activity— Payments on note payable	—	(97,629)
Net Increase in Cash	1,195,097	262,696
Cash—Beginning of year	1,736,866	1,474,170
Cash—End of year	$ 2,931,963	$ 1,736,866
Supplemental Information:		
Interest paid	$ —	$ 4,920
Taxes paid	$ 14,041	$ 13,739

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1.—NATURE OF OPERATIONS

The Municipal Securities Rulemaking Board (MSRB) was established in 1975 pursuant to authority granted by the Securities Exchange Act of 1934, as amended by the Securities Acts Amendments of 1975, as an independent, self-regulatory organization charged with protecting investors and the public interest by promoting a fair and efficient municipal securities market through rulemaking on the municipal securities activities of broker-dealers and banks. Effective May 17, 1989, the MSRB became incorporated as a not-for-profit, non-stock corporation in the Commonwealth of Virginia. The MSRB also collects and disseminates market information, and operates the Electronic Municipal Market Access (EMMA®) website to promote transparency and widespread access to information.

On October 1, 2010, the MSRB's mission was expanded by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) to protect municipal entities and obligated persons and to undertake rulemaking in connection with the municipal advisory activities of municipal advisors.

NOTE 2.—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The MSRB's financial statements are prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America (GAAP).

Investments

Investments are stated at fair value. Investments consist of United States (U.S.) Treasury notes, government-guaranteed agency securities, and mutual funds. The U.S. Treasury notes had various maturity dates through April 2011. MSRB holds a 457(f) Rabbi Trust that is comprised entirely of mutual funds.

Amortization and accretion of investment premiums and discounts are recorded as a component of investment return.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at invoiced amounts and do not bear interest. Accounts receivable are reported net of an allowance for doubtful accounts in the statements of financial position. Management's estimate of the allowance for doubtful accounts is based on historical collection experience and ongoing reviews. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Concentration of Credit Risk

Financial instruments that potentially subject the MSRB to a concentration of credit risk consist principally of cash and accounts receivable. Cash balances at times are in excess of federally insured amounts and, as a result, subject the MSRB to a degree of credit risk. As of September 30, 2011 and 2010, the MSRB's uninsured cash balance amounts to $0 and $1,236,866, respectively. As of January, 2011, the MSRB maintained all cash in a non-interest-bearing account with unlimited FDIC insurance. Accounts receivable consist of fees due from municipal securities brokers and dealers. At times, there are certain significant balances due from regulated entities but the MSRB does not believe it is exposed to any significant credit risk on these balances. Four regulated entities accounted for 37% and 43% of total revenues in fiscal year 2011 and fiscal year 2010, respectively.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in accounting for, among other things, realization of accounts receivable, the carrying value of investments, and the impairment of long-lived assets. Actual results could differ from those estimates.

Reclassifications

Certain amounts included in the fiscal year 2010 financial statements have been reclassified to conform to the fiscal year 2011 presentation. Annual fees and initial fees revenue have been combined. To be consistent with fiscal year 2011 allocations of expenses across program services, technology expenses for internal corporate support of $1,258,682 included in Administration in fiscal year 2010 were allocated among the program services benefited.

Fixed Assets

Furniture and fixtures, as well as computer and office equipment, are recorded at cost and are depreciated using the straight-line method over five years and three years, respectively. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease period or the estimated useful life of the improvement. Improvements and replacements of fixed assets are capitalized. Maintenance and repairs that do not improve or extend the lives of fixed assets are charged to expense as incurred.

When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts, and any gain or loss is recognized in the statements of activities and changes in net assets.

Capitalized Software Costs

The MSRB capitalizes certain costs associated with computer software developed or obtained for internal use. The MSRB's policy provides for the capitalization of external direct costs of materials and services, and direct payroll-related costs incurred during the application development stage as well as costs related to upgrades and enhancements to internal use software provided it is probable that these expenditures will result in additional functionality. Costs associated with preliminary project stage activities, training, maintenance, and post implementation stage activities are expensed as incurred.

After all substantial testing and deployment are completed and the software is ready for its intended use, internally developed software costs are amortized using the straight-line method over three years.

Impairment of Long-lived Assets

The MSRB's policy is to review its long-lived assets, such as fixed assets and capitalized software costs, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment, if any, is recognized in the period of identification to the extent the carrying amounts of an asset exceeds the fair value of such asset.

Leases

The MSRB leases office space and certain office equipment under non-cancelable operating leases and may include options that permit renewals for additional periods. Rent abatements and escalations are considered in the determination of straight-line rent expense for operating leases. Lease incentives are recorded as a deferred credit and recognized as a reduction to rent expense on a straight-line basis over the lease term.

Revenue Recognition:

Underwriting Assessment Fees—With the limited exceptions noted below, the underwriting assessment fee is equal to a $0.03 per $1,000 of the face amount of municipal securities, which are purchased by underwriters from an issuer as part of a new issue. Beginning December 1, 2009, the MSRB assessment increased to $0.03 per $1,000 for new issue municipal securities puttable back to the issuer between nine months and two years or with a final stated maturity between nine months and two years which were previously assessed at a rate of $0.01 per $1,000. Additionally, beginning December 1, 2009, the MSRB applied its $0.03 per $1,000 underwriting assessment to previously exempt securities, including those (i) with a par value of less than $1 million; (ii) sold in certain limited offerings or private placements; (iii) that are puttable back to the issuer every nine months or less, such as variable rate demand obligations; and (iv) with a final stated maturity of nine months or less. Currently commercial paper and municipal fund securities are exempt from the assessment.

Revenue from underwriting assessment fees is recognized in the month the underwriter files the offering document with the MSRB.

Transaction Fees—Prior to January 1, 2011, the transaction fee was $0.005 per $1,000 par value of bonds sold and was levied on both customer and interdealer transactions as specified in Board Rule A-13. As described in this rule, certain transactions are exempt from this fee. Effective January 1, 2011, the transaction fees paid by municipal securities dealers increased from $0.005 per $1,000 par value to $0.01 per $1,000 par value.

Transaction fee revenue is recognized as sales transactions are settled. Unbilled receivables consist primarily of September transaction and technology fees revenue billed in October.

Technology Fees—Effective January 1, 2011, the MSRB established a new technology fee on municipal securities trades reported to the MSRB. Municipal securities dealers are required to pay an assessment of $1.00 per transaction for all sales transactions. As further described in Note 12, the MSRB Board has designated the use of the funds generated by these fees to update, maintain, and replace its technology systems.

Technology fee revenue is recognized as sales transactions are settled. Unbilled receivables consist primarily of September transaction and technology fees revenue billed in October.

Rule Violation Fee Revenue—The Dodd-Frank Act provided, as of October 1, 2010, that fines collected by the Securities and Exchange Commission (SEC) for violations of the rules of the MSRB shall be equally divided between the SEC and the MSRB and that one-third of fines collected by the Financial Industry Regulatory Authority (FINRA) allocable to violations of the rules of the MSRB will be paid to the MSRB, although the portion of such fines payable to the MSRB may be modified at the direction of the SEC upon agreement between the MSRB and FINRA. FINRA fine revenue is recorded in the month earned. At September 30, 2011, no SEC fine revenue has accrued to the benefit of the MSRB.

Annual and Initial Fees—With respect to each fiscal year of the MSRB in which a municipal securities broker or dealer conducts business, the broker or dealer is required to pay an annual fee of $500 per Rule A-14. Revenue is recognized when brokers or dealers are billed annually.

Effective October 1, 2010, the Dodd-Frank Act also expanded MSRB's regulatory jurisdiction to cover municipal advisors who advise state and local governments and other municipal entities on municipal financial products and municipal securities. Rule A-14 governing annual fees was amended to include municipal advisors, effective as of November 15, 2010, at which time the MSRB began registering and collecting an annual fee of $500 as part of the registration process for municipal advisors. During fiscal year 2011, municipal advisor annual fee revenue is recognized when received.

The initial fee is a onetime fee of $100, which is to be paid by every municipal securities broker or dealer upon registration with the MSRB under Rule A-12. Rule A-12 was amended to include municipal advisors, effective as of November 15, 2010, at which time the MSRB began collecting the one-time fee of $100 from municipal advisors. Initial fee revenue is recognized when received.

Data Subscriber Fees—The MSRB collects, stores, and provides access to information pertaining to the municipal securities market. The MSRB operates four computer-based information systems that offer data subscription for a fee: an electronic document and data system for the collection, processing, storage, and dissemination of official statements, advance refunding documents, and related data (the EMMA® Primary Market Disclosure System); an electronic document and data system for the collection, processing, storage, and dissemination of continuing disclosure documents and related data from municipal securities issuers, obligated persons, and their agents (the EMMA® Continuing Disclosure System); an electronic data system for the collection, processing, storage, and dissemination of data on all municipal securities transactions for purposes of price transparency and surveillance (the Real Time Transaction Reporting System); and an electronic document and data system for the collection, processing, storage, and dissemination of data on short-term obligation rate reset data and related documents (the Short-term Obligation Rate Transparency System). Information in these systems is sold to subscribers on an annual basis, with the annual subscription fee billed on a quarterly basis and revenue recognized as billed. In addition, the MSRB maintains files for public access of information submitted by municipal securities brokers and dealers in connection with political contributions and municipal securities business under MSRB Rule G-37. Copying fees are levied at the time of use for the reproduction of any documents.

Professional Qualification Examination Fees—New Rule A-16 established an examination fee of $60 assessed on persons taking certain qualification examinations, which became effective on January 4, 2010. These examinations include the Series 51 (Municipal Fund Securities Limited Principal Qualification Examination), Series 52 (Municipal Securities Representative Qualification Examination), and Series 53 (Municipal Securities Principal Qualification Examination). Professional qualification examination fees are recognized in the month the exams are given.

New Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board issued amendments to the guidance pertaining to fair value measurement and disclosure. The amendments create a common definition of fair value for GAAP and International Financial Reporting Standards (IFRS) and align the measurement and disclosure requirements. These amendments provide further guidance on some of the principles for measuring fair value and expand the disclosure requirements specifically for Level 3 fair value measurements. The new requirements are effective for annual periods beginning after December 15, 2011 and will be applied prospectively. The MSRB has determined that the adoption of these new requirements will not have a material impact on its changes in net assets or financial position.

NOTE 3.—INVESTMENTS

Investments as of September 30, 2011 and 2010, consist of the following:

	2011	2010
U.S. Treasury notes	$ —	$ 6,838,004
Government-guaranteed agency securities	19,263,486	9,263,250
Mutual funds	56,864	127,074
	$19,320,350	$16,228,328

Investment return for the years ended September 30, 2011 and 2010, consists of the following:

	2011	2010
Interest and dividends	$ 87,871	$ 304,848
Unrealized losses	(27,726)	(212,133)
	$ 60,145	$ 92,715

NOTE 4.—FAIR VALUE MEASUREMENTS

The carrying amounts of financial instruments, including cash, receivables, accounts payable, and accrued expenses approximate fair value as of September 30, 2011 and 2010 because of the relatively short duration of these instruments.

The MSRB's policy defines fair value, uses a framework for measuring fair value, and provides a fair value hierarchy based on observable inputs.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1—Valuation based on quoted prices available in active markets for identical assets or liabilities as of the report date.

Level 2—Valuations based on inputs other than quoted prices included within Level 1, that are observable, either directly or indirectly.

Level 3—Valuations based on significant inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

The MSRB considers observable market data to be readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The MSRB's Level 1 investments include mutual funds, and as of September 30, 2010, any U.S. Treasury notes and government-guaranteed agency securities that had trades on the observation date.

The MSRB's Level 2 investments include government-guaranteed agency securities which on September 30, 2010 had no observable trades. For the year ended September 30, 2011, the MSRB determined that it was most appropriate to consider the market for government-guaranteed agency securities as inactive, regardless of observable trades on September 30, 2011. Therefore as of September 30, 2011, all government-guaranteed agency securities are considered Level 2 investments.

The MSRB bases the fair value on pricing obtained from the MSRB's investment broker. The MSRB does not adjust for or apply any additional assumptions or estimates to the pricing information it receives from its broker. The broker's pricing is compared to industry standard data providers (e.g., Bloomberg) for reasonableness. The MSRB considers this the most reliable information available for the valuation of investments.

Investments were recorded at fair value as of September 30, 2011 and 2010, based on the following levels of hierarchy:

2011	Level 1	Level 2	Level 3	Total
Government-guaranteed agency securities	$ —	$19,263,486	$ —	$19,263,486
Mutual funds	56,864	—	—	56,864
	$ 56,864	$19,263,486	$ —	$19,320,350

2010	Level 1	Level 2	Level 3	Total
U.S. Treasury notes	$ 6,838,004	$ —	$ —	$ 6,838,004
Government-guaranteed agency securities	4,263,850	4,999,400	—	9,263,250
Mutual funds	127,074	—	—	127,074
	$11,228,928	$ 4,999,400	$ —	$16,228,328

NOTE 5.—ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 2011 and 2010, consist of the following:

	2011	2010
Billed accounts receivable	$4,619,887	$3,436,286
Unbilled accounts receivable	1,899,778	726,846
	6,519,665	4,163,132
Less allowance for doubtful accounts	(272,039)	(235,551)
	$6,247,626	$3,927,581

NOTE 6.—FIXED ASSETS

Fixed assets as of September 30, 2011 and 2010, consist of the following:

	2011	2010
Leasehold improvements	$ 1,936,517	$ 1,421,356
Computer and office equipment	2,236,216	2,350,974
Furniture and fixtures	1,662,357	1,418,815
Capitalized software costs	18,186,431	15,177,590
	24,021,521	20,368,735
Less accumulated depreciation and amortization:		
Leasehold improvements	(1,001,730)	(796,229)
Computer and office equipment	(1,500,319)	(1,615,016)
Furniture and fixtures	(1,362,580)	(1,319,282)
Capitalized software costs	(12,446,034)	(9,051,896)
	(16,310,663)	(12,782,423)
	$ 7,710,858	$ 7,586,312

Depreciation and amortization expense during the fiscal years 2011 and 2010 are as follows:

	2011	2010
Depreciation expense	$ 486,077	$ 419,355
Amortization expense for capitalized software cost and leasehold improvements	3,572,742	2,833,327
	$ 4,058,819	$ 3,252,682

Impairment of long-lived assets—Through regular review of long-lived assets, in fiscal year 2011 an estimated impairment loss of $37,835 was recognized.

NOTE 7.—ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of September 30, 2011 and 2010, consist of the following:

	2011	2010
Accounts payable	$ 368,306	$ 686,859
Salaries, taxes, and benefits payable	531,889	264,290
Other accrued expenses	160,223	186,455
	$ 1,060,418	$ 1,137,604

NOTE 8.—NOTE PAYABLE

In May 2009, the MSRB entered into a financing agreement for the purchase of software and annual software support. Payments under this agreement totaled $97,629 for the fiscal year ended September 30, 2010.

The debt was extinguished in May 2010. No notes payable were outstanding as of September 30, 2011 and 2010.

NOTE 9.—COMMITMENTS

Operating Leases

The MSRB leases office space and certain office equipment under operating lease arrangements. In May 2001, the MSRB entered into a lease for office space in Alexandria, Virginia, which will expire in fiscal year 2016. The operating lease agreement for this office space contains provisions for future rent increases. The total amount of rental payments due over the lease term is being charged to rent expense on a straight-line basis over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent, which is included in the liabilities in the accompanying statements of financial position.

Future minimum lease payments under non-cancelable operating leases are as follows:

Year ending September 30,	
2012	$1,771,344
2013	1,833,336
2014	1,897,512
2015	1,963,920
2016	998,844
Total minimum lease payments	$8,464,956

Total rent expense for office space and equipment for the years ended September 30, 2011 and 2010, was $2,206,315 and $2,226,223, respectively.

Employment Agreements

In accordance with the executive director's employment agreement, a 457(f) deferred compensation plan is maintained. The agreement calls for contributions of $10,000 on September 30, 2010, $50,000 on September 30, 2011, and $55,000 on September 30, 2012. The sum, including all earnings and interest accrued, will be paid on September 30, 2012, or such earlier time as set forth by the agreement. During fiscal year 2011, a previously vested amount of $126,312 was paid to the executive director. The organization maintains a mutual fund where the contributions are invested; this account is reflected as a component of MSRB's investments. As of September 30, 2011 and 2010, the MSRB has recorded a deferred compensation liability of $59,684 and $114,252, respectively.

The MSRB has a contract with its former executive director that calls for medical benefits to be provided to the executive director and his spouse for a term ending on December 2012. As of September 30, 2011 and 2010, MSRB has included a liability related to this benefit of $28,551 and $71,402, respectively, in salaries, taxes, and other benefits payable. In addition to the above agreement, the MSRB entered into separation agreements with other former employees, and as of September 30, 2011 and 2010, the MSRB has recorded a liability related to these agreements of $208,403 and $423, respectively, in salaries, taxes, and other benefits payable.

NOTE 10.—RETIREMENT PLAN

The MSRB has a defined contribution pension plan for all employees. Participation commences upon completion of one month of eligible service as described in the plan document. For all active participants employed on the first day of the calendar quarter, the MSRB makes a quarterly contribution as required by the plan document. These contributions are based on the participants' quarterly compensation for the calendar quarter immediately preceding the first day of the calendar quarter. The contribution percentage ranges from 9% to 12% depending on the length of vested service as scheduled in the plan document. Each employee is fully vested upon being credited with three plan years of service. Employees may also make voluntary contributions to the plan. The MSRB made contributions to the plan totaling $831,881 and $673,593 for the years ended September 30, 2011 and 2010, respectively.

All administrative expenses of the plan are paid by the MSRB. Administrative expenses total $14,544 and $18,014 for the years ended September 30, 2011 and 2010, respectively.

NOTE 11.—INCOME TAXES

The MSRB is exempt from federal and state taxes on income (other than unrelated business income) under Section 501(c)(6) of the Internal Revenue Code and applicable income tax regulations of the Commonwealth of Virginia. No provision for income taxes has been made as of September 30, 2011 and 2010.

Effective September 30, 2010, the MSRB adopted new guidance that creates a single model to address uncertainty in tax positions and clarified the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in its financial statements. Under the requirements of this guidance, organizations could now be required to record an obligation as the result of tax positions they have historically taken on various tax exposure items. The impact of the adoption of this guidance did not have a material effect on the financial statements of MSRB. Prior to the adoption of this guidance, the determination of when to record a liability for a tax exposure was based on whether a liability was considered probable and reasonably estimable in accordance with guidance concerning recording of contingencies.

NOTE 12.—BOARD-DESIGNATED NET ASSETS

By policy, prior to January 1, 2011, the MSRB maintained sufficient cash and investments at a level not to exceed one-year of expenses. Unrestricted net assets were designated for future capital projects, including technology systems, and to fund reserves for operating expenses.

Beginning January 1, 2011, a board-designated technology renewal fund was established to provide funds for capital expenditures, such as the replacement or acquisition of computer hardware and software. The technology renewal fund is credited with all revenue derived from the technology fee and depleted by technology information capital expenses. With the establishment of the technology renewal fund, the undesignated net assets provide for operating capital in the event of a revenue shortfall or for significant unplanned expenditures.

	2011
Technology fees	$ 6,280,060
Technology capital expenditures	(3,443,765)
Designated technology renewal fund	$ 2,836,295

NOTE 13.—SUBSEQUENT EVENTS

The MSRB evaluated its September 30, 2011, financial statements for subsequent events through December 14, 2011, the date the financial statements were available to be issued. The MSRB is not aware of any subsequent events that would require recognition or disclosure in the financial statements except as disclosed below.

Effective October 1, 2011, the contribution percentages for the defined contribution pension plan were reduced from a range of 9% to 12% to a range of 7% to 9%, depending on the length of vested service as scheduled in the plan document.

Senior Management

Lynnette Kelly
Executive Director

Ernesto A. Lanza
Deputy Executive Director and Chief Legal Officer

Peg Henry
General Counsel—Market Regulation

Al Morisato
Chief Operations and Technology Officer

Ritta McLaughlin
Senior Director, Market Leadership

Jennifer A. Galloway
Chief Communications Officer

Elizabeth Wolfe
Chief Financial Officer

Robert Cunningham
Chief Administrative Officer

Resources

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