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To: <lkelly@msrb.org>

Subject: Harrisburg and "Bank Loans"

Lynnette,

I discuss bank loan disclosure in my book as part of a larger issue. See the discussion of the Harrisburg action.

It seems to me that MAs, in the exercise of their fiduciary duty, have responsibilities to advise and assist issuers under certain specific conditions that could lead to potential liability for the issuers. This would include when MAs assist issuers in the preparation of disclosure documents.

This is not a duty to investors, rather it is a duty to issuer clients.

There is a separate question of due diligence, as the SEC said in 1989, when MAs participate in preparing disclosure documents. That is part of the the MAs duty to be informed when providing advice.

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