



STONE &  
YOUNGBERG

Kenneth E. Williams  
*President*  
*Chief Executive*  
*Officer*

August 13, 2009

Ms. Leslie Carey  
Associate General Council  
Municipal Securities Rulemaking Board  
1900 Duke Street, Ste 600  
Alexandria, VA 22314

Dear Ms. Carey,

I am aware that this letter is arriving after the end of your comment period, but after giving the proposed changes to G-37 regarding bond referendums further thought, I felt compelled to write this letter.

Many public schools districts have parent run charitable organizations that support schools with fund raising, and many municipal finance professionals as well as firms in the municipal business donate to those organizations. There are banks in the municipal business that, as a general practice, make grants to schools or donate to the charities that give support to those schools. Those same banks often have as part of their good corporate citizenship policies, a practice of supporting local activities in communities. Some of these practices are volunteering to help in community events. Some are grants given to school districts. Are you going to ask those entities to report the fair value of any volunteering they do for issuers or potential issuers? Are you going to ask for a disclosure of every grant made to a school district by a bank in the municipal business? While these may not have a direct connection to a particular business opportunity (G-37 doesn't allow a MFP to do indirectly what they cannot do directly), clearly it is one way of gaining favor with issuers that gives large institutions an advantage when talking with those communities or schools about financings. There are many individuals in the municipal business that make contributions to annual fund raising campaigns or capital campaigns of private schools, colleges and hospitals. Some of those contributions are significant in size. Should those contributions be deemed a way of gaining a business advantage?

There are many ways municipal finance professionals or firms in the municipal business can appear to curry favor with issuers that are perfectly legitimate. The proposal to disclose bond referendum campaign contributions may seem a way to keep in check the appearance of impropriety in the municipal marketplace, but until the board decides to ask for disclosure or ban ALL contributions of time or money, including grants, that are given by any employee at banks and broker dealer firms to entities that issue municipal

bonds, the rules will continue to favor certain participants in the municipal finance business over others

I've enclosed a copy of the Charitable Contribution guidelines for California, as printed from the website of a major commercial bank that is active in municipal finance. These guidelines cover the areas of Community Development, Education and Human Services. I hope you will find it as interesting as I did.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Williams". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ken Williams

Cc: Lynnette Hotchkiss



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## California Guidelines

Starting as far back as the mid-1800's, Wells Fargo served communities in California by bringing settlers, safeguarding the arrival of their valuables, and delivering their mail. Today, Wells Fargo continues to serve the community through its broad range community support programs, including Wells Fargo contributions.

In addition to our programs which offer financial support, Wells Fargo has built an internal culture of giving back to our communities through the promotion of volunteerism among our team members.

While we make grants in three primary areas: Community Development, Education, and Human Services, we are also supportive of those nonprofit agencies for which Wells Fargo team members have made a commitment to volunteer via direct service or through committee or Board membership.

### Where we direct our contributions

Wells Fargo makes grants in three primary areas:

- **Community Development**

Wells Fargo provides grants to organizations that help people and communities of low and moderate income in the areas of:

- Affordable housing
- Training people to find and retain jobs
- Community revitalization and stabilization

In addition, Wells Fargo promotes economic development by financing small businesses and farms that have gross annual income of \$1 million or less or meet the size eligibility standards for the SBA's Development Company Program.

- **Education**

Wells Fargo supports educational programs promoting academic achievement by low- to moderate-income students in pre-Kindergarten through the twelfth grade in the key areas of:

- Math and science
- Literacy
- History of the American West

Grant applications from educational institutions and non-profits serving those institutions are considered. Grants are also considered for:

- Staff development of teachers and administrators serving low- and moderate-income students
- Programs that encourage school partnerships with parents and guardians, the business community, or

the community in which the school is located

- **Human Services**

Wells Fargo considers support of social and human service organizations whose work primarily serves low- and moderate-income populations in the following areas:

- Child care
- Health services and education
- Assistance with basic needs

**Requests we will not consider**

- Individuals, including scholarship or fellowship assistance
- For-profit entities, including start-up businesses
- Political, labor, religious, or fraternal activities
- Endowments
- Film or video projects, including documentaries
- Travel, including student trips or tours
- Promotional merchandise
- Organizations other than IRS 501(c)(3), governmental, or tribal entities

**Requests that receive low priority**

- Equipment, including computer hardware and software
- Sports or athletic groups or activities
- Hospitals
- Vehicles
- Multi-year programs
- Capital campaigns

[2007 Support to California Communities Report \(PDF\)\\*](#)  
[California - How to Apply](#)  
[Frequently Asked Questions](#)

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