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**Contact:**

**Love and Long, L.L.P.**

[info@loveandlonglaw.com](mailto:info@loveandlonglaw.com)

**SELECTIVE DISCLOSURE IN  
SECURITIES ISSUANCES**

On September 13, 2017, the Municipal Securities Rulemaking Board (the "MSRB") published a market advisory (the "Market Advisory") regarding "Selective Disclosure" by municipal security issuers, which occurs when certain classes of investors (such as investment banking firms, investment advisers and institutional investors) are given access to information but other investors are not. Selective disclosure may occur during road shows, investor conferences and one-on-one investor meetings. It can also occur in the secondary market when the original disclosure documents were accurate and complete, but the issuer provides new, nonpublic material information, which is not required to be disclosed, to select investors or analysts.

Although municipal issuers are not subject to Regulation Fair Disclosure ("Regulation FD"), selective disclosure may subject municipal issuers to the anti-fraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. In addition, if a selective disclosure is made by an individual, it may result in a breach of duty to the issuer and the recipient who purchases or sells the municipal issuer's securities, based on such information, could be subject to insider trading.

Due to concerns raised by regulatory officials and market stakeholders with selective disclosure, the MSRB has encouraged municipal issuers and their financial professional to implement strong policies and procedures to ensure all investors and stakeholders have equal access to the same information in a timely manner. The MSRB has recommended that municipal issuers (i) adopt Regulation FD's dissemination principles and voluntarily disclose information to the broader marketplace by methods reasonably designed to effect broad, non-exclusionary distribution of information to the public, such as the Electronic Municipal Market Access ("EMMA"), (ii) include copies of pre-sale documents, such as rating agency presentations or transcripts of investor conferences, with its preliminary official statement or (iii) disseminate non-transaction-based material information to the marketplace by posting a voluntary continuing disclosure on EMMA.

A copy of the Market Advisory on Selective Disclosure, which includes several examples of selective disclosures made by municipal issuers, can be found [here](#).



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108 Washington Street  
Newark, NJ 07102  
(973) 643-4333  
Fax (973) 643-4333

1522 Pine Street  
Philadelphia, PA 19102  
(215) 546-8433  
Fax (215) 546-8473

Strategic Alliance Office  
Porzio Bromberg  
156 West 56th Street, Suite 803  
New York, NY 10019-3800  
(212) 265-6888  
Fax (212) 957-3983

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