

**Fiscal Year Underwriters' Quarterly Reports for Regulatory Compliance
Regarding Underwriters' Participation in Credit default Swaps (CDS)**

NBR	Firm name	Due July 2012	
1	Barclays	X	
2	Bmo Capital Markets	X	
3	BoA, Merrill Lynch	X	
4	Cabrera	X	
5	Citigroup	X	
6	City Securities Corporation	X	
7	Duncan Williams, Inc / Rice	X	
8	Edward Jones	X	
9	Estrada Hinojosa	X	
10	Fifth Third Securities	X	
11	George K. Baum And Co	X	
12	Goldman Sachs	X	
13	Guggenheim Securities	X	
14	Jackson Securities	X	
15	Janney Montgomery Scott	X	
16	Jefferies	X	
17	JP Morgan	X	
18	Key Banc Capital Markets	X	
19	Lebenthal	X	
20	Loop Capital	X	
21	M. R. Beal	X	42.00
22	Mesirow Financial	X	<u>42.00</u>
23	Morgan Keegan	X	-
24	Morgan Stanley	X	
25	North South Capital	X	
26	Northern Trust	X	
27	Oppenheimer and Co Inc	X	
28	Piper Jaffray & Co	X	
29	PNC Bank	X	
30	Podesta & Co	X	
31	Ramirez & Co, Inc /US Bank	X	
32	Raymond James	X	
33	RBC Capital Markets	X	
34	Rice / Duncan	X	
35	Robert W. Baird	X	
36	Siebert Bradford Shank	X	
37	Stern Brothers	X	
38	Sterne Agee	X	
39	Stifel, Nicolaus	X	
40	Wells Fargo	X	
41	William Blair And Co.	X	
42	Williams Capital Group	X	



CAROLE BROWN
MANAGING DIRECTOR

July 24, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

Thank you for your letter regarding our firm's State of Illinois credit default swap activities for the period April 1, 2012 through June 30, 2012. We are pleased to provide the following information in response to the questions referenced therein:

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

1. *In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.*

Barclays does not actively make a market in credit default swaps ("CDS"). The firm did not engage in any State of Illinois CDS trades during the period from April 1, 2012 through June 30, 2012.

As we have previously noted in our submissions to the State, in January 2011, Barclays' Credit Risk Management group, a group separate from Barclays Bond Department, erroneously entered into an Illinois CDS trade in order to hedge counterparty risk. This trade was unwound a few days later since it had been put on in error. The two trades consisted of \$10 million buy and sell. Other than those trades, the firm has entered into no Illinois CDS trades since August 2009.

Below is the most recent data regarding our gross and net positions for the period April 1, 2012 through June 30, 2012.

- Gross notional of trades from April 1, 2012 through June 30, 2012 = \$0
- Net notional of trades from April 1, 2012 through June 30, 2012 = \$0
- Net notional of trades outstanding as of June 30, 2012 = \$0

2. *Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.*

Please see our response to #1.

3. *Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.*

Please see our response to #1.

BARCLAYS
190 SOUTH LASALLE STREET, 27TH FLOOR | CHICAGO, IL 60603
TEL: (312) 609-8508 | FAX: (312) 609-8371
EMAIL: CAROLE.L.BROWN@BARCLAYS.COM

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4. *List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.*

Please see our response to #1.

5. *Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.*

Prior to February 2011, Barclays published a monthly municipal research report that referenced CDS market activity for a group of fifteen major issuers including the State of Illinois. Barclays ceased publishing research that referenced Illinois CDS pricing in February 2011. Our firm did not release any publicly-available research or marketing reports referencing State of Illinois CDS during the period of April 1, 2012 through June 30, 2012.

We are available at your convenience to discuss this information further. I may be reached at (312) 609-8508. Thank you.

Sincerely,



Carole Brown

Managing Director

cc: Ms. Sophia Ronis, State of Illinois

September 12, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, 100 West Randolph, Suite 15-100
Chicago, IL 60606

Dear Mr. Sinsheimer:

Enclosed please find our firm's response to the questions regarding State of Illinois Credit Default Swap Activity. If you have any questions or need additional information, please let me know. I can be reached at (312) 845-2005 or marylee.corrigan@bmo.com.

Sincerely,



Mary Lee Corrigan
Managing Director/CFO
Administration

MLC/ays

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State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps (“CDS”) within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

BMO Capital Markets GKST, Inc. has not participated in any State of Illinois CDS Activity within the past three months ending June 30, 2012.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

No trades were done.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Not applicable.

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

None.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

No research or marketing reports were done referencing State of Illinois CDS.

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

Thank you for your letter dated July 9, 2012 to Philip Rooney. I am responding on behalf of Bank of America Corporation and its affiliates, including Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively "BofAML"). We value our relationship with the State of Illinois and are pleased to provide the following information. For purposes of this letter, we are providing information for the three months ended June 30, 2012. For ease of reference, we have restated your questions before each response.

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

By way of background, BofAML does not take and maintain unhedged long or short positions, unrelated to market making, of Illinois General Obligation ("GO") CDS. Instead, BofAML is a swaps market maker and in that capacity makes regular two-way markets in municipal CDS, including CDS on Illinois GO bonds, and acts as a swaps dealer with respect to Illinois GO CDS. BofAML's trading of Illinois GO CDS, while effected as principal for our own account, is in response to the flow of actual and anticipated counterparty market making transactions, and while BofAML's Illinois GO CDS exposure on a net basis at any given time may be modestly long (BofAML being a net purchaser of unhedged credit protection) or short (BofAML being a net seller of unhedged credit protection), BofAML seeks to maintain, over time, a more or less balanced book of long and short transactions. For the quarter ending June 30, 2012 the cumulative notional volume of Illinois GO CDS purchases was \$0 and sales was \$2,000,000. As of June 30, 2012, BofAML's outstanding gross notional amount of Illinois GO CDS was \$789,700,000 and the outstanding net notional amount of Illinois GO CDS was a net short position of \$21,900,000 (that is, BofAML was a net seller of Illinois CDS protection as of that date, and thus net long Illinois GO risk, as it would be if it were a holder of Illinois GO bonds).

In addition, we have prime brokerage positions which represent our "back-to back" intermediation of trades between certain hedge fund clients and their counterparties.

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These transactions are custodial in nature and do not represent risk positions of our firm. As of June 30, 2012 BofAML's prime brokerage outstanding gross notional amount of Illinois GO CDS was \$260,000,000 and the outstanding net notional amount of Illinois GO CDS was \$0 (that is, prime brokerage accounts were flat Illinois GO CDS protection as of that date).

Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

As discussed above, BofAML does not engage in proprietary trading by taking and maintaining unhedged long or short positions, unrelated to market making, of Illinois GO CDS. The activity conducted for BofAML's own account is undertaken (a) to hedge specific, identified State credit exposures held by BofAML, such as State general obligation (GO) bonds, credit facilities or derivative credit exposures, or (b) pursuant to BofAML's ongoing, client-driven market-making activities.

Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

As discussed above, the question is not applicable as BofAML did not engage in proprietary trading.

List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

As discussed above, the question is not applicable as BofAML did not engage in proprietary trading.

Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

We are not aware that municipal research analysts at BofAML published any research reports referencing State of Illinois CDS during this period.

This letter is being submitted to you with the request that you keep it confidential and not provide or otherwise disclose it to any party, unless you are required to do so by law. If your office should decide to disclose any of the information to any other government agency or person, we also ask that you notify us immediately and provide that agency or person with notice of this request. Furthermore, if any person should request the opportunity to inspect or copy this letter, we ask to be notified immediately and given advance notice of any intended release.

If you have additional questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Susan Jun".

Susan Jun
cc: Sophia Ronis



CABRERA CAPITAL MARKETS, LLC

BOSTON • CHICAGO • HOUSTON • LOS ANGELES • NEW YORK • PEPPER PIKE • PHILADELPHIA • SAN ANTONIO • TAMPA

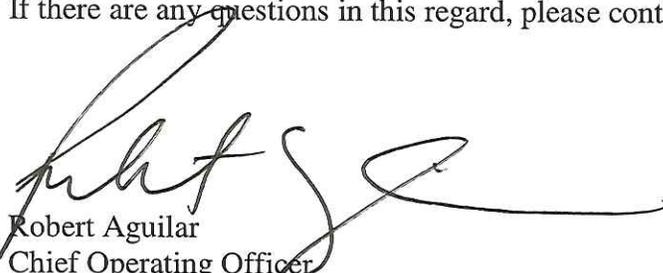
July 19, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governors Office of Management and Budget
100 W. Randolph, Suite 15-100
Chicago, IL. 60601

Dear Mr. Sinsheimer,

In response to your letter dated July 9, 2012, Cabrera Capital Markets, LLC has not participated in any credit default swap market activities related to State of Illinois General Obligation bonds or Build Illinois bonds for the period April 1, 2012 through June 30, 2012.

If there are any questions in this regard, please contact the undersigned.


Robert Aguilar
Chief Operating Officer

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Governor's Chicago Office

R. Ray Kljajic
Managing Director
Public Finance Department
Municipal Securities Division

Mail Stop PFD 25
227 W. Monroe Street
Chicago, IL 60606

Tel 1 312-876-3550
Fax 1 312-876-3551
rade.kljajic@citi.com



July 23, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management
and Budget
James R. Thompson Center
100 West Randolph – Suite 15-100
Chicago, IL 60601

Re: Illinois Credit Default Swaps

Dear Mr. Sinsheimer:

In response to your letter dated July 9, 2012, below are responses for Citi's market activities related to credit default swaps per State Statute on State of Illinois General Obligation Bonds and Build Illinois bonds from April 1, 2012 through June 30, 2012:

- Citi cumulative (gross) notional volume of State of Illinois CDS trades for the period of April 1, 2012 through June 30, 2012 was 224,800,000 MM / 9.2 MM net short notional.USD.
- Citi outstanding gross Notional Amount of State of Illinois CDS as of June 30th was 928,400,000 MM Gross Notional.
- Citi outstanding net Notional amount of State of Illinois CDS as of June 30th was 249,400,000 MM Net Long Notional.
- No Illinois single-name Muni CDS in Q2 for the correlation desk.
- Nothing from research during the period.

This letter will be sent via Special Messenger today. I have attached your letter and list of questions.

Sincerely,



Rade Ray Kljajic
Managing Director

Attachments

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State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.
- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.
- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.
- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.



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July 16, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
James R. Thompson Center, Suite 15-100
100 W. Randolph St.
Chicago, IL 60601

Dear Mr. Sinsheimer:

City Securities Corporation does not, and has never, participated in any credit-default swap market-making activities, and thus has not participated in any State of Illinois CDS activities from April 1, 2012 through June 30, 2012. Further, City Securities Corporation has never released any publically available research or marketing reports that reference State of Illinois CDS. Please let us know if you have any additional requests.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Schumaker", is written over a light blue horizontal line.

Mike Schumaker
Vice President

Cc: Sophia Ronis

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Governor's Chicago Office

Chris Collier, Managing Director, Investment Banking
12555 Manchester Road, St. Louis, MO 63131
Tel 314-515-2683 • Email chris.collier@edwardjones.com
www.edwardjones.com

July 16, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 West Randolph
Chicago IL 60601

Dear John:

Rich Ryffel has left Edward Jones to pursue other interests. Would you please address future correspondence to my attention.

In response to your letter dated July 9, 2012, I offer this response per the instructions provided. Hard copy of same follows by overnight mail.

With respect to Credit Default Swaps ("CDS"), Edward Jones does not participate in this market in any way. We are not a provider of CDS and do not make any markets in CDS. For completeness, however, I have provided below a response to each interrogatory you submitted.

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past three months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS as of the end of the current 3-mo. period.

Edward Jones has not participated in any State of Illinois CDS activities over the requested three-month periods.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-mo. period.

Edward Jones has not entered into any proprietary State of Illinois CDS trades over the requested period.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-mo period.

Edward Jones has no outstanding proprietary State of Illinois CDS positions as of the end of the requested three-month period.

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- List all time periods during the past 3 mo. during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Edward Jones has not during the past three months held any net long or net short positions of State of Illinois CDS.

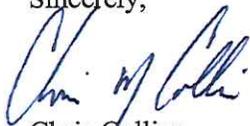
- Indicate whether within the previous 3 mo. the firm released any publicly available research or marketing reports that reference State of IL CDS and include those research or marketing reports or attachments.

Edward Jones has not published any publicly available research regarding the State of Illinois which references State of Illinois CDS.

I appreciate the opportunity to address your questions. Should you have additional questions, please do not hesitate to contact me at chris.collier@edwardjones.com or 314.515.2683.

Thank you for your confidence in Edward Jones.

Sincerely,



Chris Collier
Managing Director
Investment Banking

cc: Sophia Ronis

ESTRADA • HINOJOSA
INVESTMENT BANKERS

July 17, 2012

Mr. John Sinsheimer, Director of Capital Markets
State of Illinois
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

Estrada Hinojosa & Company, Inc. is pleased to respond to your letter of July 9, 2012 addressed to Mr. Fernando Grillo, Senior Vice President at our Firm.

With regard to our activities in the previous quarter, please note that Estrada Hinojosa is a FINRA-registered broker engaged solely in municipal bond underwritings and has never participated in credit default swap ("CDS") market-making activities related to the State of Illinois or any other bond issuer, and the Firm has no intention to deal in CDS activities at any time in the future. Estrada Hinojosa does not publish research reports related to the CDS market.

Please do not hesitate to contact us if you have any other questions. Best wishes for your continued success.

Sincerely,


Robert A. Estrada

Cc: Sophia Ronis, State of Illinois

Thomas B. Nolan, Firm
Fernando Grillo, Firm
Carlos Buentello, Firm

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Governor's Chicago Office

ESTRADA HINOJOSA & COMPANY, INC.
1717 Main Street • Suite 4700, Lockbox 47 • Dallas, Texas 75201
(214) 658-1670 • (800) 676-5352 • Fax (214) 658-1671

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TEL. (312) 704-4025
FAX (312) 704-7394
E-MAIL DOUG.DEANGELIS@53.COM

July 13, 2012

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, 100 W. Randolph St. Suite 16-100
Chicago, Illinois 60601

Re: State of Illinois Credit Default Swap Questions

Dear Mr. Sinsheimer,

Enclosed you will find responses to Fifth Third Securities, Inc's market activities in the last three months related to credit default swaps, as outlined by the State Statute on State of Illinois General Obligation bonds and Build Illinois bonds.

Should you have any questions or if I can assist you in any way, please contact me at (312) 704-4025. We look forward to working with the State and the underwriting team on the State's upcoming financing transactions.

Sincerely,

A handwritten signature in cursive script that reads 'Douglas P. DeAngelis'.

Douglas P. DeAngelis
Managing Director
Illinois Public Finance

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State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trade and the firm's outstanding gross and notional amount of State of Illinois CDS as of the end of the current 3-month period.

Fifth Third Securities, Inc. and related entities have not participated in any activities related to credit default swaps, including those related to the State of Illinois.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3 month period.

Fifth Third Securities, Inc. and related entities have not entered into any proprietary trades for its own account in State of Illinois CDS.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short of long credit protection as of the end of the current 3-month period.

Fifth Third Securities, Inc. and related entities have no positions in any CDS, including those related to the State of Illinois.

- List all times during the past 3 months during which the firm held net long or short State of Illinois proprietary credit protection positions, the amount of such positions, and whether those positions were net long or short credit protection positions.

Fifth Third Securities, Inc. and related entities have not held State of Illinois proprietary credit protection positions during the past 3 months.

- Indicate whether within the past 3 months, the firm has released any publicly available research or marketing reports that reference State of Illinois CDS and include copies of such research or report in your response.

Fifth Third Securities, Inc. and related entities have not released any publicly available research or marketing report that reference State of Illinois CDS.



George K. Baum & Company

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July 13, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-1100
100 W. Randolph
Chicago, Illinois 60601

RE: State of Illinois Credit Default SWAP Questions

Dear Mr. Sinsheimer:

Enclosed please find our responses to the above-referenced questions.

We appreciate the opportunity to submit our response to the State of Illinois.

Regards,

George K. Baum & Company

Albert A. Boumenot
Senior Vice President
Illinois Public Finance

AAB/cb

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State of Illinois Credit Default Swap Questions and Answers

- a) *In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.*

None. George K. Baum & Company has never participated in State of Illinois CDS activities.

- b) *Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.*

None. George K. Baum & Company has never entered into any such trades.

- c) *Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.*

None. George K. Baum & Company has never participated in any such trading activity.

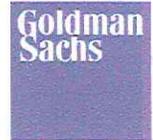
- d) *List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.*

None. George K. Baum & Company has never participated in State of Illinois CDS activities.

- e) *Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.*

None. George K. Baum & Company has never generated any such reports.





July 20, 2012

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

I am pleased to respond on behalf of Goldman, Sachs & Co. to the questions posed in your letter dated July 9, 2012 regarding our firm's activities related to State of Illinois municipal credit default swaps ("CDS").

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months.

Please include and/or indicate the following:

- ***In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.***

As it has done in respect of many states' CDS, Goldman Sachs participated in market-making activities with respect to State of Illinois CDS in the past fiscal quarter (April 1, 2012 through June 30, 2012). Goldman Sachs's cumulative notional volume of trades in State of Illinois CDS during that time was \$207.0 million. Goldman Sachs's net notional position as of June 30, 2012 in Illinois CDS was \$78.9 million, and our gross notional position in Illinois CDS was \$2.720 billion.

It is not feasible to assess whether Goldman Sachs is long or short exposure to State of Illinois credit solely by reference to notional amounts of CDS, as other considerations, including the various maturities of our CDS positions and our risks related to market-making activities in the State's bonds, are key determinants and drivers of the firm's risk profile.

- ***Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.***

Goldman Sachs has not entered into any trades for its own proprietary account in State of Illinois CDS during the past fiscal quarter. As noted above, Goldman Sachs has entered into Illinois CDS contracts from time to time, stepping in with its own capital to execute client trades as a principal in order to promote market liquidity in a market-making capacity.

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- **Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.**

Please see the above answers.

- **List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.**

Please see the above answers.

- **Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.**

During the previous fiscal quarter, Goldman Sachs has not published any research or marketing reports concerning State of Illinois CDS. In that regard, the firm's Global Investment Research Division does not create or publish research on municipal issuers. From time to time, various groups within the firm's Securities Division have provided marketing materials to clients to educate them generally about the municipal asset class and the products available to gain or limit exposure to that asset class, including tax-exempt bonds, interest rate derivatives, CDS and BABs. These materials are available to the firm's institutional sales force and are on occasion in turn provided to certain investing clients.

Thank you for the opportunity to respond to your questions. We look forward to continuing to serve the State of Illinois and the larger municipal market.

Sincerely,



Kathleen Brown
Chairman of Investment Banking for the Midwest

Guggenheim Securities' Response to the State of Illinois Credit Default Swap Request, July 9, 2012

State of Illinois Credit Default Swap Questions

For the period from April 1, 2012 through June 30, 2012

- Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

Guggenheim Securities, LLC ("Guggenheim Securities") has never participated in credit default swap market-making activities related to municipal securities and Guggenheim Securities has not participated in credit default swap market-making activities related to any State of Illinois CDS within the past 3 months.

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and notional amount of State of Illinois CDS as of the end of the current 3 month period.

Not applicable (see above)

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.

Not applicable (see above)

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short of long credit protection as of the end of the current 3-month period.

Not applicable (see above)

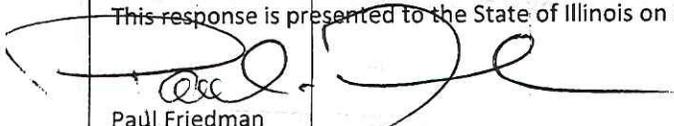
- List at all times during the past 3 months during which the firm held net long or short State of Illinois proprietary credit protection positions, the amount of such positions, and whether those positions were net long or short credit protection positions.

Not applicable (see above)

- Indicate whether within the previous 3 months, the firm has released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Guggenheim Securities has not released any publically available research or marketing reports that reference State of Illinois CDS.

This response is presented to the State of Illinois on behalf of Guggenheim Securities, LLC.



Paul Friedman
Chief Operating Officer,
Guggenheim Securities, LLC

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AUG 21 2012

Governor's Chicago Office

JACKSON SECURITIES

An Atlanta Life Financial Group Company

MEMBER
FINRA
SIPC
NASP

September 12, 2012

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget

Dear Mr. Sinsheimer,

Jackson Securities has no market activities related to credit default swaps per State Statute on State of Illinois General Obligation Bonds and Build Illinois bonds from April 1, 2012 through June 30, 2012.

Sincerely,



W. Bruce Gow, President
Ph: 404-443-3124 / Fax: 404-443-2394
bgow@jacksonsecurities.com

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SEP 12 2012

Governor's Chicago Office



Janney Montgomery Scott LLC
1717 Arch Street, 22nd Floor
Philadelphia, PA 19103

July 18, 2012

John Sinsheimer, Director of Capital Markets
Governor's Office of Management and Budget
James R. Thompson Center
100 W. Randolph, Suite 15-100
Chicago, IL 60601

RE: Janney Montgomery Scott ("Janney") Illinois Credit Default Swap ("CDS") Activity for 2Q 2012

Dear Mr. Sinsheimer:

Janney has not and does not participate in the CDS market. Therefore, we have not participated in any way in the CDS market with regard to the State of Illinois.

- **Q:** In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.
- **A: None**

- **Q:** Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
- **A: None**

- **Q:** Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.
- **A: None**

- **Q:** List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.
- **A: None**

- **Q:** Indicate whether within the past 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.
- **A: None**

Sincerely,

Thomas K. Henson
Managing Director/Head of Public Finance
Tel: 215-665-1525
Fax: 215-587-9943
thenson@janney.com

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JUL 19 2012

Governor's Chicago Office

Cc: Sophia Ronis

Jefferies

Jefferies & Company, Inc.

Municipal Securities Group
520 Madison Avenue
New York, NY 10022
tel 212.284.2300
fax 212.284.2111
Jefferies.com

July 13, 2012

John Sinsheimer
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer,

I am providing you information about Jefferies & Company, Inc. market activities related to credit default swaps per State Statute of Illinois General Obligation bonds and Build Illinois bonds from April 1, 2012 through June 30, 2012. Please see page 2.

Sincerely,



Samantha Costanzo
Managing Director
Jefferies & Company, Inc.
155 North Wacker Drive
Suite 4200
Chicago, IL 60606

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JUL 16 2012

Governor

Re: State of Illinois General Obligation bonds and Build Illinois bonds for the period of April 1, 2012 through June 30, 2012.

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Jefferies reports: **NONE**

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Jefferies reports: **NONE**

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Jefferies reports: **NONE**

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Jefferies reports: **NONE**

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachment.

Jefferies reports: **NONE**

Credit Default Swap Report: State of Illinois

Firm name:	JPM Securities LLC
Three-month period:	June 30, 2012
Please answer the following questions on this form and attach additional pages as necessary.	
1) In the past three months, has your firm entered into, or maintained, any State of Illinois credit default swaps ("CDS")?	Yes
If so, what is your firm's cumulative notional volume of State of Illinois CDS transactions for the most recently ended three-month period?	The firm has a cumulative net notional volume of \$24,000,000 short credit protection.
If so, what is your firm's outstanding gross and net notional State of Illinois CDS position for the most recently ended three-month period?	The firm does have an outstanding gross notional of \$613,200,000 and net notional of \$14,800,000 short credit protection
2) In the past three months, pursuant to its proprietary trading activities, has your firm entered into, or maintained, any proprietary trades for its own account in State of Illinois CDS?	No
If so, what is your firm's outstanding gross and net notional State of Illinois CDS position for the most recently ended three-month period? Please clearly indicate whether the net position is short or long.	N/A
If so, list all time periods during the most recently ended three-month period during which your firm held net long or net short proprietary credit protection positions, the amount of such positions and whether those positions were net long or net short.	N/A
3) In the past three months, has your firm released any publicly available research or marketing reports that reference State of Illinois credit default swaps?	JPMorgan's Research group has produced analytic materials titled "Muni CDX Daily Analytics." These materials consist of summaries of spreads and premiums or discounts and related information on the MCDX indices, and factual information regarding the components of the indices, which includes the State of Illinois. These materials do not contain any recommendations or substantive analysis of the individual credits that make up the MCDX index. The Muni CDX Daily Analytics report was discontinued on April 27 th , 2012.

STATE OF ILLINOIS: CDS DISCLOSURE



JAMISON FEELEY, MANAGING DIRECTOR

July 30, 2012

J.P.Morgan

July 16, 2012

Governor's Office of Management and Budget
Attn: John Sinsheimer, Director of Capital Markets
James R. Thompson Center
Suite 15-100
100 W. Randolph Street
Chicago, Illinois 60601

Mr. Sinsheimer:

I provide herein response to your letter dated July 9, 2012 requesting KeyBanc Capital Markets' activities related to State of Illinois credit default swaps (from April 1, 2012 through June 30, 2012).

Specifically and in direct response to the following query:

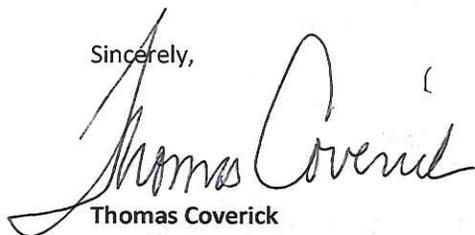
State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- *In the event of your firm's participation in State of Illinois CDS activities within the past 3 months, please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and notional amount of State of Illinois CDS as of the end of the current 3-month period.*
- *Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.*
- *Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short of long credit protection as of the end of the current 3-month period.*
- *List at all times during the past 3 months during which the firm held net long or short State of Illinois proprietary credit protection positions, the amount of such positions, and whether those positions were net long or short credit protection positions.*
- *Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.*

Neither KeyCorp nor any of its subsidiaries, including KeyBanc Capital Markets Inc., participate in, make markets in or provide research for municipal credit default swaps.

Sincerely,



Thomas Coverick
Managing Director
KeyBanc Capital Markets Inc.

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JUL 19 2012

Governor's Chicago Office

cc: Sophia Ronis



Member FINRA, SIPC & SIFMA

LEBENTHAL & CO., LLC
521 Fifth Avenue, 20th Floor
New York, NY 10175

(212) 697-3420 *direct*
(877) 425-6006 *toll free*
(646) 626-5592 *fax*

July 18, 2012

John Sinsheimer, Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Dear John:

Pursuant to your request for information dated July 9, 2012, Lebenthal & Co. **has not** participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past three months, nor in any prior period. Please find below our responses to the State of Illinois Credit Default Swap Questions for the period from April 1, 2012 through June 30, 2012.

- **In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.**

Lebenthal does not participate in the Credit Default Swap market. Lebenthal has had no notional volume of State of Illinois CDS trades and has no outstanding gross or net notional amount of State of Illinois CDS as of the end of the current 3-month period.

- **Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.**

Lebenthal has not entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

- **Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection as of the end of the current 3-month period.**

Lebenthal has no proprietary positions in State of Illinois CDS as of the end of the current 3-month period.

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Governor's Chicago Office



LEBENTHAL

- **List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.**

At no time during the past three months did Lebenthal hold net long or net short State of Illinois CDS proprietary credit protection positions.

- **Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.**

Lebenthal & Co. has not released any publicly available research or marketing reports that reference State of Illinois CDS within the previous 3 months.

If you should need any additional information, please feel free to call either Matthew Deane at (212) 697-3420 or Gregory Anderson at (212) 697-3286.

Sincerely,



Matthew Deane
Co-Head of Public Finance



Gregory Anderson
Co-Head of Public Finance

cc: Sophia Ronis



July 25, 2012

John Sinsheimer
Director of Capital Markets
State of Illinois – Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601
United States

Dear Mr. Sinsheimer:

Please be advised that during the last three months Loop Capital Markets LLC has not engaged in any market making activities related to any State of Illinois credit default swaps. If you need any additional information please feel free to call me at (312) 356 – 5009.

Sincerely,



Clarence Bourne
Managing Director
Phone: (312) 356-5009
Email: clarence.bourne@loopcapital.com

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AUG 21 2012

Governor's Chicago Office

Dear Mr. Sinsheimer and Ms. Ronis,

Thank you for inviting M.R. Beal to submit information regarding the firm's market activities related to credit default swaps on State of Illinois General Obligations Bonds and Build Illinois Bonds from April 1, 2012 through June 30, 2012.

M.R. Beal's response to your request for information is attached and, as requested, your office will also receive one hard copy.

Please do not hesitate to contact me directly with questions.

Sincerely,

Osee

Osee Pierre
Vice President
M.R. Beal & Company
525 W. Monroe Street | Suite 580
Chicago, Illinois 60661
312.341.0467 | Phone
312.258.1363 | Fax
opierre@mrbeal.com

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JUL 16 2012

Governor's Chicago

State of Illinois Credit Default Swap Questions

July 13, 2012

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months (from April 1, 2012 through July 1, 2012)

Please include and/or indicate the following:

- In the event of your firm's participation in the State of Illinois CDS activities within the past 3 months, please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

As of the end of the current 3-month period, M.R. Beal & Company has not participated in any State of Illinois CDS activities.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

As of the end of the current 3-month period, M.R. Beal & Company has not entered into any proprietary trades for its own account in State of Illinois CDS.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

As of the end of the current 3-month period, M.R. Beal & Company has a ZERO outstanding gross and net notional amount of proprietary State of Illinois CDS.

- List all time periods during the past 3-months during which the firm held long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

During the past 3-months, M.R. Beal & Company has not held ANY long or net short State of Illinois CDS proprietary credit protection positions.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Within the previous 3 months, M.R. Beal & Company has not released any publicly available research or marketing reports that reference State of Illinois CDS.

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/ or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Mesirow Financial has not held any State of Illinois CDS securities within the past 3 months.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Mesirow Financial has not entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Mesirow Financial does not have any outstanding State of Illinois CDS as of the end of the current 3-month period.

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Mesirow Financial has not held State of Illinois CDS proprietary credit positions during the past 3 months.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Mesirow Financial has not released any publicly available research or marketing reports that reference State of Illinois CDS in the past 3 months.

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Governor's Chicago Office

July 20, 2012

By Email and Overnight Mail

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Re: Request for CDS Information

Dear Mr. Sinsheimer:

We write on behalf of Morgan Stanley & Co., LLC. ("MSCO") to provide information regarding MSCO's activity in single-name credit default swaps related to the State of Illinois for the period of March 31, 2012 through June 30, 2012 as required by Illinois statute.

The CDS transactions referenced herein were not effected by MSCO. Rather, they were effected by affiliates of MSCO known as Morgan Stanley Capital Services, LLC. and Morgan Stanley International, PLC, neither of which act as an underwriter for State transactions. The cumulative notional volume¹ of State of Illinois CDS trades during the Review Period was \$191,600,000. The outstanding gross and net notional amount² of State of Illinois CDS as of the end of the Review Period is \$2,245,731,000 and (\$13,069,000), respectively. There were no proprietary transactions in State of Illinois CDS effected during the review period, and there were no research or marketing reports created during the review period.
Respectfully submitted,



Carly Scales
Executive Director

cc: Kacy Bassett

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Governor's Chicago Office

¹ This number reflects the sum of the absolute value of the notional of all purchases and sales for CDS related to the State of Illinois.

² We interpret gross notional value to mean the sum of the absolute values of the notional of the individual transactions. We interpret the net notional value to mean the net amount of underlying exposure on the State of Illinois when transacting in CDS.



North South Capital LLC

July 23, 2012

State of Illinois Credit Default Swap Questions

North South Capital LLC has not participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months (April 1, 2012 through June 30, 2012).

- In the event of your firm's participation in State of Illinois S activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period. **None- North South Capital LLC has not participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months**
- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
North South Capital LLC has not entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.
- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period. **None- North South Capital LLC has not entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.**
- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protections positions. **None- North South Capital LLC has not entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.**
- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

North South Capital within the previous 3 months, has not released any publicly available research or marketing reports that reference State of Illinois CDS.

Jane Ott
President

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AUG 21 2012

Governor's Chicago

50 South La Salle Street
Chicago, Illinois 60603
(312) 557-2000



Northern Trust

July 16, 2012

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer,

This is in response to your letter regarding The Northern Trust Company's ("Northern") involvement in credit default swaps on State of Illinois General Obligation Bonds and Build Illinois Bonds.

Northern has, in no way, participated in any State of Illinois credit default swaps from April 1, 2012 through June 30, 2012. In addition, all of our responses to the enclosed questions provided in your letter are not applicable.

Should you have any questions, please feel free to contact me at (312) 557-0945.

Sincerely,

Allan R. Ambrose
Senior Vice President
The Northern Trust Company

Cc. Sophia Ronis

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JUL 17 2012

Governor's Chicago Office

NOT FDIC INSURED

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No Bank Guarantee

Securities products and services are offered by Northern Trust Securities, Inc., member FINRA, SIPC, and a wholly owned subsidiary of Northern Trust Corporation, Chicago.



7-16-12

Mr. John Sinsheimer, Director of Capital Markets
State of Illinois Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

Oppenheimer & Co. Inc. participates in the credit default swap market as part of its overall participation in the capital markets. Our response to your specific questions on our market-making activities in State of Illinois credit default swaps ("CDS") within the last three months are as follows:

- In the event of your firm's participation in the State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

None.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

We have not.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

We have none.

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Governor's Chicago Office

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

We had no positions.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

We have not released any research or marketing reports on State of Illinois CDS.

Sincerely,

A handwritten signature in black ink that reads "J.M. Holland". The signature is written in a cursive, slightly stylized font.

Jack Holland
Managing Director
Oppenheimer & Co. Inc.

PiperJaffray®

1200 Seventeenth Street, Suite 1250, Denver, CO 80202

Tel: (303) 405-0865 | 800 274-4405 | Fax: (303) 405-0891

Piper Jaffray & Co. Since 1895. Member SIPC and NYSE.

July 24, 2012

Mr. John Sinsheimer
Director of Capital Markets
Governor's Office of Management and Budget
State of Illinois
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

In addition to hard copy, sent via e-mail to: john.sinsheimer@illinois.gov and
Sophia.ronis@illinois.gov

Dear Mr. Sinsheimer:

This letter is in response to your letter dated July 9, 2012 requesting information about Piper Jaffray's market activities related to credit default swaps per State Statute on State of Illinois General Obligation bonds and Build Illinois bonds from April 1, 2012 through July 31, 2012. We have reviewed our records, and the answer is "none" to all five questions.

If you have any further questions, please let me know.

Sincerely,



Brad Langner
Senior Vice President
Public Finance Investment Banking
303 405-0860

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Governor's Chicago Office



VIA OVERNIGHT MAIL

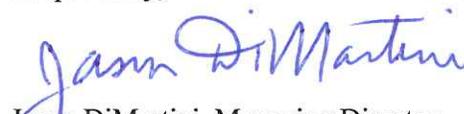
July 20, 2012

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100, 100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

This letter is in response to your letter of July 9, 2012 addressed to me as a Managing Director of PNC Capital Markets LLC. Based on conversations with the appropriate personnel of PNC Capital Markets LLC and PNC Bank, National Association, I can inform you that neither entity has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") during the period from April 1, 2012 through June 30, 2012 or released any publicly available research or marketing reports that reference State of Illinois CDS. Thus, neither entity has any information to report in response to the other four questions posed. In addition, based on the conversations referenced above, I can inform you that no other entities that are subsidiaries of The PNC Financial Services Group, Inc., are authorized to enter into credit default swaps for their own account. If you need any further assistance from PNC, please contact me by one of the means listed below.

Respectfully,


Jason DiMartini, Managing Director
Phone: 412-762-6580
Email: jason.dimartini@pnc.com

cc: Leonard S. Ferleger

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AUG 21 2012

Governor's Office of Management and Budget

PNC Capital Markets LLC

Member of The PNC Financial Services Group

Three PNC Plaza 225 Fifth Avenue Pittsburgh Pennsylvania 15222

www.pnc.com

Products and services are offered through PNC Capital Markets LLC, a registered broker dealer, member FINRA and SIPC a subsidiary of PNC Financial Services Group. Investments and Insurance: Not FDIC Insured. No Bank or Federal Government Guarantee. May Lose Value.

PODESTA & CO.

208 SOUTH LASALLE STREET
SUITE 1460
CHICAGO, IL 60604
(312) 899-0133
FAX (312) 899-0910
podestaco.com

July 13, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, 100 W. Randolph, Suite 16-100
Chicago, Il 60601

Dear Mr. Sinsheimer,

Podesta & Co. has not participated in any credit default swap market-making activities related to any State of Illinois credit default swaps ("DCS") within the past 3 months, April 1, 2012 through June 30, 2012 and has never released any publicly available research or marketing reports that reference the State of Illinois CDS.

Sincerely,



Carol Podesta Foley
President

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JUL 18 2012

Governor's Office



July 31, 2012

John Sinsheimer, Director of Capital Markets State of Illinois
Governor's office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph St.
Chicago, IL 60601

Mr. Sinsheimer:

Please find our response below to your communication dated July 9, 2012 regarding Ramirez & Co's ("Ramirez") and U.S. Bancorp's ("USB") use of credit default swaps ("CDS").

- 1) In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.
 - a. **N/A - Ramirez and U.S. Bancorp do not and have not engaged in CDS trades for any municipal issuer.**
- 2) Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
 - a. **N/A - Ramirez and U.S. Bancorp do not and have not engaged in CDS trades for any municipal issuer.**
- 3) Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.
 - a. **N/A - Ramirez and U.S. Bancorp do not and have not engaged in CDS trades for any municipal issuer.**
- 4) List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.
 - a. **N/A - Ramirez and U.S. Bancorp do not and have not engaged in CDS trades for any municipal issuer.**
- 5) Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.
 - a. **N/A - Ramirez and U.S. Bancorp have not released or produced any of the reports referenced above.**

Please feel free to reach out to Phil Culpepper directly at 312-630-2004 or Chris Cochran at 312-325-2056 if you have any questions or concerns regarding this disclosure.

Sincerely,

Phil Culpepper
Senior Vice President- Ramirez & Co., Inc.

Chris Cochran
Director- U.S. Bancorp

RECEIVED
AUG 29 2012

Governor's Chicago Office

CC: Sophia Ronis – GOMB
Ramirez Compliance Department

Morgan Keegan

TO: John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget

FROM: Raymond James I Morgan Keegan
Kevin Thompson, Managing Director

RE: State of Illinois Credit Default Swap Questions
DATE: August 22, 2012

Please find information related to Raymond James I Morgan Keegan market activities related to credit default swaps per State Statute on State of Illinois General Obligation bonds and Build Illinois bonds from April 1, 2012 through June 30, 2012.

This information is being furnished to you in hard copy form and to you and Sophia Ronis via email.

State of Illinois Credit Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

In the event of your firm's participation in State of Illinois CDS activities within the past 3 months, please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Raymond James I Morgan Keegan has **NOT** participated in CDS market-making activities related to any State of Illinois CDS within the past 3 months.

Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Raymond James I Morgan Keegan has **NOT** entered into any proprietary trades for its own account in the State of Illinois CDS as of the end of the current 3-month period.

Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Raymond James I Morgan Keegan does **NOT** have outstanding gross or net notional amount of proprietary State of Illinois CDS.

List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Raymond James I Morgan Keegan has **NOT** held net long or short State of Illinois CDS proprietary credit protection positions at any time during the past 3 months.

Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Raymond James I Morgan Keegan has **NOT** released any publicly available research or marketing reports that reference State of Illinois CDS in the past 3 months.

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AUG 21 2012

Governor's Chicago Office



Kevin Hoecker, Director
RBC Capital Markets, LLC
500 W. Madison Street, Suite 2500
Chicago, IL 60661

Telephone: (312) 559-3876; Fax (312) 559-1650

July 14, 2012

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

RE: State of Illinois Credit Default Swap Inquiry

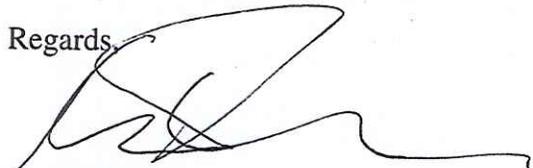
Dear John:

On behalf of RBC Capital Markets, LLC please allow the following to reply to the July 9th correspondence related to the above captioned matter.

RBC Capital Markets, LLC has not participated in credit default swap market-making activities related to any State of Illinois credit default swap within the past 3 months. In addition, RBC Capital Markets has no responsive information to the five bullet points contained in the July 9th correspondence. This does not reflect a categorical decision by the firm not to recommend or sell credit default swaps in appropriate circumstances, nor has the firm made any determination regarding marketing making activities of credit default swaps in the future.

Please advise if you are in need of any further information.

Regards,


Kevin Hoecker
Director
Municipal Finance
RBC Capital Markets, LLC
312-559-3876

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JUL 16 2012

Governor's Chicago Office

cc: Ralph Desena
Mark Maroney
Brian Hellberg



July 12, 2012

John Sinsheimer, Director of Capital Markets
State of Illinois
Office of Management & Budget
JRTC, Suite 15-100
100 West Randolph
Chicago, IL 60601

Dear John:

Rice Financial Products Company has never executed any trades in Illinois credit default swaps. We are not in the business of trading, making markets, providing research or conducting proprietary trades in credit default swaps, more specifically CDS's related to the State of Illinois.

Please do not hesitate to contact me, should you have any questions related to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Knight", is written over the typed name.

C. Courtney Knight
Managing Director

cc: Sophia Ronis

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JUL 13 2012
Governor's Chicago Office

Chicago: 208 South LaSalle Street, Suite 1338 • Chicago, Illinois 60604 • 312.855.9233 tel • 312.855.9238 fax
Supervisory Office: 17 State Street, 40th Floor • New York, New York 10004 • 212.908.9200 tel • 212.908.9299 fax

All securities transactions are conducted through Rice Securities, LLC, MEMBER: FINRA/SIPC/MSRB, d/b/a Rice Financial Products Company.

Thomas J. Gavin
 Managing Director
 Public Finance

Mr. John Sinsheimer
 Director of Capital Markets
 Governor's Office of Management and Budget
 Jr. Thompson Center, Suite 15-100
 100 West Randolph
 Chicago, IL 60601

Dear Mr. Sinsheimer,

We received your written request for information regarding our firm's market activities related to credit default swaps ("CDS") on State of Illinois General Obligation Bonds and Build Illinois Bonds. Below we provide Robert W. Baird's ("Baird") responses to your CDS questions.

Q: In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

A: Baird has not participated in State of Illinois CDS activities within the past 3 months.

Q: Disclose whether your firm entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

A: Baird has not entered into any proprietary trades for its own account in State of Illinois CDS.

Q: Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

A: Baird does not have any outstanding amounts of proprietary State of Illinois CDS.

Q: List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

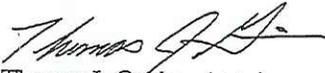
A: Baird has not held State of Illinois CDS proprietary credit protection positions during the past 3 months.

Q: Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

A: Baird has not released any publicly available research or marketing reports that reference State of Illinois CDS within the previous 3 months.

Should you require any additional information, please feel free to contact me at [redacted].

Sincerely,


 Thomas J. Gavin
 Managing Director
 Robert W. Baird & Co.

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 JUL 23 2012

Governor's Chicago Office

Robert W. Baird & Co. Incorporated
 300 East Fifth Avenue, Suite 200
 Naperville, IL 60563-3181
 Main (630) 778 9178
 Toll-Free (800) 686 4346
 Fax (630) 848 6450
 tgavin@rwbaird.com



**Siebert
Brandford
Shank & Co., L.L.C.**

The Franklin Building
222 West Adams, Suite 520
Chicago, Illinois 60606
(312) 759-0400
(312) 759-0109 – fax

July 25, 2012

John Sinsheimer
Director of Capital Markets
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear John:

Below please find Siebert Brandford Shank's response to the State of Illinois's request for information regarding our firm's market activities related to credit default swaps ("CDS") from April 1, 2012 through June 30, 2012.

Siebert Brandford Shank does not participate in CDS market-making activities; accordingly, we have not participated in CDS market-making activities over the past three months. During this timeframe, our firm's cumulative notional volume of State of Illinois CDS trades is \$0 as is our firm's outstanding gross and net notional amount of State of Illinois CDS. Our firm has not entered into any proprietary trades for our own account in State of Illinois CDS as of the end of the current three-month period. Siebert Brandford Shank has never held net long or short State of Illinois CDS proprietary credit protection positions nor has our firm released any publicly available research or marketing reports that reference State of Illinois CDS over the past three months.

Please feel free to contact us if you have any questions or require additional information. We look forward to working with you and the State of Illinois in the future.

Thank you,

A handwritten signature in cursive script that reads "Elizabeth Coolidge".

Elizabeth Coolidge
Managing Director

cc: Sophia Ronis

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AUG 21 2012

Governor's Chicago Office

SternBrothers&Co

8000 MARYLAND AVENUE, SUITE 800
ST. LOUIS, MISSOURI 63105-3911
(314) 727-5519 • FAX (314) 727-7313
WWW.STERNBROTHERS.COM

July 11, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget

Dear Mr. Sinsheimer:

Enclosed please find Stern Brothers & Co.'s response to questions regarding State of Illinois Credit Default Swap Activity.

If you need any additional information, please contact me at 314-743-3051.

Sincerely,



Karen Warren
Chief Compliance Officer
Stern Brothers & Co.

Enclosure

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Governor's Chicago Office

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of end of the current 3-month period.

Stern Brother's & Co. did not participate in State of Illinois CDS activities during the 2nd quarter of 2012.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Stern Brothers & Co. has not entered into any proprietary trades for its own account in State of Illinois CDS as of the end of June 2012.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Stern Brothers & Co. has not participated in State of Illinois CDS activities and therefore does not have any information to disclose in regards to our net position.

- List all time period during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Stern Brothers & Co. has not participated in State of Illinois CDS activities and therefore does not have any information to disclose in regards to time periods.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Stern Brothers & Co. has not released any research or marketing reports that reference State of Illinois CDS.



July 26, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Budget and Management
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL, 60601

Dear Mr. Sinsheimer:

In response to your request for information on July 9, 2012, Sterne Agee has addressed the questions provided. Please see the enclosed page for Sterne Agee's response. We continue to look forward to the opportunity to serve the State, and if we can be of any further assistance or can provide any other information, please let me know.

Thank you,

Shams Lawson
Senior Vice President
Sterne, Agee & Leach, Inc.
(212) 338-4733
slawson@sterneagee.com

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Governor's Chicago Office

STATE OF ILLINOIS CREDIT DEFAULT SWAP QUESTIONS

In the event of your firm's participation in State of Illinois CDS activities within the past 3 months, please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period

Sterne Agee does not participate in State of Illinois CDS activities and, therefore, has zero cumulative notional volume of State of Illinois CDS trades and the Firm's outstanding gross and net notional amount of State of Illinois CDS is also zero.

Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period

Sterne Agee has not entered into any proprietary trades for our own account in State of Illinois CDS

Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period

Sterne Agee has no outstanding gross or notional amount of proprietary State of Illinois CDS

List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions

At no point in the past 3 months has Sterne Agee held a net long or net short State of Illinois CDS proprietary credit protection position

Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments

Sterne Agee has not, within the previous 3 months, released any publicly available research or marketing reports that reference State of Illinois CDS

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Governor's Chicago Office



31 July 2012

Mr. John Sinsheimer
Capital Markets Director
Governor's Office of Management and Budget
James R. Thompson Center, Suite 15-100
100 W Randolph
Chicago, Illinois 60601

Dear John:

On behalf of Stifel Nicolaus & Company, Inc. ("Stifel Nicolaus" or "Stifel") we are pleased to submit our response to the State of Illinois' request for information regarding our firm's CDS activities for the period April 1, 2012 through June 30, 2012. Stifel does not currently trade Illinois CDS, nor do we have any intention to do so in the foreseeable future. Please find below our responses to the questions raised in your letter.

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- *In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.*
Response: Stifel has NOT traded State of Illinois CDS within this period
- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
Response: Stifel has NOT entered into any proprietary State of Illinois CDS trades within this period
- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.
Response: Stifel has NO State of Illinois CDS positions during this period
- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.
Response: Stifel has NOT held net long or net short State of Illinois CDS positions within this period
- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.
Response: Stifel has NOT released research referencing the State of Illinois CDS during this period

Thank you for the opportunity to serve the State. We welcome the chance to be of assistance to you and your team.

Sincerely,



Omar Daghestani
Managing Director
(312) 454-3845



Jeremy Newton
First Vice President
(312) 454-3849

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Governor's Chicago Office

July 17, 2012

JRTC, Suite 15-100
John Sinsheimer
100 W Randolph
Chicago, IL 60601

Re: State of Illinois Credit Default Swap Inquiry for Second Quarter 2012

Dear Mr. Sinsheimer:

I am responding to your letter dated July 9, 2012 in which you request information about Wells Fargo Bank, N.A.'s ("WFBNA") market activities related to State of Illinois ("IL") credit default swaps ("CDS") for the time period noted above.

After performing appropriate due diligence around your request, we have not identified any information indicating that WFBNA has participated in CDS market making activities related to any IL CDS in the relevant time period.

The only publicly available research or marketing reports released by WFBNA or by its affiliate, Wells Fargo Securities LLC, that we are aware of that references IL CDS is a General Market Municipal Commentary piece that is published by our Municipal Products Group's Credit Strategies team on Wednesday of each week. That piece includes a table listing CDS rates for several states (including State of Illinois) and directional commentary. An example of this piece was provided with our Second Quarter 2011 CDS inquiry response. A recent example can be provided upon request.

I trust this is responsive to your inquiry. Please let me know if you have any further questions.

Sincerely,



Victor H. Chang
Director
Midwest Region
Public Finance

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AUG 21 2012
Governor's Chicago Office

Together we'll go far



William Blair

July 26, 2012

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Office of Management and Budget
James R. Thompson Center
100 West Randolph Street - Suite 15-100
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

This letter responds to your letter dated July 9, 2012 requesting certain information concerning our firm's activities related to credit default swaps of the State of Illinois General Obligation and Build Illinois programs from April 1, 2012 through June 30, 2012.

William Blair & Company has never engaged in any market activities related to State of Illinois credit default swaps. The answer is "NONE" to all of the questions contained in the attachment to your letter. We are happy to provide any additional information that you think helpful.

We appreciate the opportunity to assist the State of Illinois with its capital markets needs, and in so doing we always try to align our interests with those of the State.

Very truly yours,



Thomas E. Lanctot

TEL:jts

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AUG 21 2012

Governor's Chicago Office

+1 312 236 1600 tel

William Blair & Company, L.L.C.
222 West Adams Street
Chicago, Illinois 60606

The Williams Capital Group, L.P.

July 21, 2012

Mr. John Sinsheimer, Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JTRC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601
United States

Re: State of Illinois Credit Default Swap Questions

Dear Mr. Sinsheimer:

In response to the State of Illinois letter dated July 9, 2012, requesting information concerning the Firm's activities relating to State of Illinois Credit Default Swaps ("CDS") for the period April 1, 2012 through June 30, 2012, The Williams Capital Group, L.P. ("Williams Capital") discloses the following:

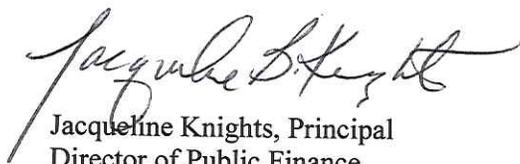
The Williams Capital Group, L.P. has not participated in any State of Illinois credit default swaps within the past three months, nor has the Firm entered into any proprietary trades for its own account in State of Illinois CDS.

With respect to the release of publicly available research or marketing reports that reference State of Illinois CDS, Williams Capital has not released any publicly available research information referencing State of Illinois CDS. The Firm however, would like to disclose that Eland Capital, a division of The Williams Capital Group, L.P. provided the City of Chicago with a confidential comparison of *10 Yr CDS Spreads for Illinois Versus Comparable States*. This data was derived from publicly available information in the market and is attached to this response.

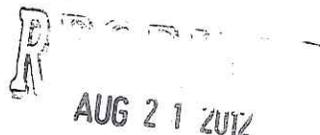
Williams Capital is not aware of any plans by any of its entities to transact in credit default swaps related to the State of Illinois.

Please see the Firm's response to the State of Illinois Credit Default Swap Questions.

Sincerely,



Jacqueline Knights, Principal
Director of Public Finance
The Williams Capital Group, L.P.
650 Fifth Avenue, 11th Floor
New York, NY 10019
(212) 373-4282
knights@willcap.com


AUG 21 2012
Governor's Chicago Office

The Williams Capital Group, L.P.

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps (“CDS”) within the past 3 months. Please include and/or indicate the following:

- In the event of your firm’s participation in State of Illinois CDS activities within the past 3 months, please disclose your firm’s cumulative notional volume of State of Illinois CDS trades and the firm’s outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Not Applicable. The Williams Capital Group, L.P. (“Williams Capital”) has not participated in any State of Illinois CDS activities during the period commencing April 1, 2012 and ending June 30, 2012.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Williams Capital has not entered into any proprietary trades for its own account in State of Illinois CDS during the most recent 3-month period, ending June 30, 2012.

- Disclose your firm’s outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Williams Capital does not have any positions in CDS.

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Williams Capital has not held and does not have any positions in CDS.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Williams Capital has not published nor released any publicly available research or marketing report that references State of Illinois CDS. However, Williams Capital would like to disclose that Eland Capital, a division of The Williams Capital Group, L.P. submitted to the City of Chicago, a confidential summary entitled: *10 Year CDS Spreads for Illinois versus Comparable States*. This summary information was extracted from publicly available data sources and illustrated the variation of Illinois CDS spreads from the basket of CDS spreads for states that had similar FY 2012 budget shortfalls, as reported by the Center for Budget and Policy Priorities, Dated May 24, 2012. Williams Capital’s summary document is attached to our disclosure.