

**FY2014 QTR 1**  
**Quarterly Reports for Regulatory Compliance Regarding Underwriters'**  
**Participation in Credit Default Swaps (CDS)**

**Due October 2013**  
**(QTR 1 July-Sept**  
**2013)**

NBR	Firm name	
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	Edward Jones	X
8	Estrada Hinojosa	X
9	Fifth Third Securities	X
10	George K. Baum And Co	X
11	Goldman Sachs	X
12	Guggenheim Securities	X
13	Janney Montgomery Scott	X
14	Jefferies	X
15	JP Morgan	X
16	Key Banc Capital Markets	X
17	Lebenthal	X
18	Loop Capital	X
19	M. R. Beal	X
20	Mesirow Financial	X
21	Morgan Stanley	X
22	North South Capital	X
23	Northern Trust	X
24	Oppenheimer and Co Inc	X
25	Piper Jaffray & Co	X
26	PNC Bank	X
27	Podesta & Co	X
28	Ramirez & Co, Inc. /US Bank	X
29	Raymond James	X
30	RBC Capital Markets	X
31	Rice	X
32	Robert W. Baird	X
33	Siebert Bradford Shank	X
34	Stern Brothers	X
35	Sterne Agee	X
36	Stifel, Nicolaus	X
37	Wells Fargo	X
38	William Blair And Co.	X
39	Williams Capital Group	X



CAROLE BROWN  
MANAGING DIRECTOR

October 25, 2013

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 July 1, 2013 through September 30, 2013. 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 municipal credit default swaps ("CDS"). The firm did not engage in any State of Illinois CDS trades from July 1, 2013 through September 30, 2013.

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 July 1, 2013 through September 30, 2013.

- Gross notional of trades from July 1, 2013 through September 30, 2013 = \$0
- Net notional of trades from July 1, 2013 through September 30, 2013 = \$0
- Net notional of trades outstanding as of September 30, 2013 = \$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.

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 July 1, 2013 through September 30, 2013.

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

October 3, 2013

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](mailto:marylee.corrigan@bmo.com).

Sincerely,



Mary Lee Corrigan  
Managing Director/CFO  
Administration

M.L.C./ays

Enclosure

## 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 September 30, 2013.*

- 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.*

***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 September 30, 2013 the cumulative notional volume of Illinois GO CDS purchases was \$0 and sales was \$0. As of September 30, 2013, BofAML's outstanding gross notional amount of Illinois GO CDS was \$764,700,000 and the outstanding net notional amount of Illinois GO CDS was a net short position of \$46,900,000 (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. These transactions are custodial in nature and do not represent risk positions of our firm. As of September 30, 2013 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.***

During the three-month period ended September 30, 2013, we would have included information about generic Illinois CDS spreads along with information about other state spreads in certain marketing materials, but did not specifically highlight them.

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.



CABRERA CAPITAL MARKETS, LLC

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

October 30, 2013

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

Re: State of Illinois Credit Default Swap Questions July 1, 2013 – September 30, 2013

Dear Mr. Sinsheimer,

Cabrera Capital Markets, LLC has not participated in any credit default swap market activities related to the State of Illinois for the period of July 1, 2013 – September 30, 2013.

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

Sincerely,

Robert Aguilar  
Chief Operating Officer  
Cabrera Capital Markets, LLC

**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



October 31, 2013

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 October 7, 2013, 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 July 1, 2013 through September 30, 2013:

- Citi cumulative (gross) notional volume of State of Illinois CDS trades for the period of July 1, 2013 through September 30, 2013 was 100,000,000 MM.
- Citi outstanding gross Notional Amount of State of Illinois CDS as of September 30 was 1,365,900,000 MM Gross Notional.
- Citi outstanding net Notional amount of State of Illinois CDS as of September 30 was 73,900,000 MM Net Long Notional.
- July 1, 2013 – September 30, 2013:  
Long: 719,900,000 MM  
Short: 646,000,000 MM
- Nothing from research during this 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



Investments since 1924 · Insurance since 1933

Member FINRA & SIPC  
citysecurities.com

October 21, 2013

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 the periods of July 1, 2013 through September 30, 2013. 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".

**Mike Schumaker**  
Vice President

Cc: Sophia Ronis

**Chris Collier, Managing Director, Investment Banking**  
12555 Manchester Road, St. Louis, MO 63131  
Tel 314-515-2683 • Email [chris.collier@edwardjones.com](mailto:chris.collier@edwardjones.com)  
[www.edwardjones.com](http://www.edwardjones.com)

October 23, 2013

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:

In response to your letter dated October 7, 2013, I offer this response per the instructions provided. As requested, the answers below pertain to the time period of July 1, 2013 to September 30, 2013. 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.

- 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.

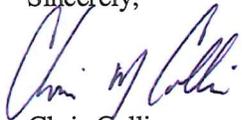
- Indicate whether within the previous 3 mo. the firm released any publicly available research or marketing reports that reference State of IL CDS and include those research or marketing reports or attachments.

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](mailto: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

May 5, 2014

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 April 24, 2014 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: Jennifer Card, Governor's Office of Management and Budget

Thomas B. Nolan, Firm  
Fernando Grillo, Firm  
Scott Felt, Firm

ESTRADA HINOJOSA & COMPANY, INC.

1717 Main Street • Suite 4700, Lockbox 47 • Dallas, Texas 75201

(214) 658-1670 • (800) 676-5352 • Fax (214) 658-1671

Member FINRA/SIPC

DALLAS

AUSTIN

CHICAGO

HOUSTON

MIAMI

NEW YORK

SAN ANTONIO

SAN DIEGO



222 SOUTH RIVERSIDE PLAZA  
MAIL DROP GRVROK  
CHICAGO, ILLINOIS 60606  
TEL. (312) 704-4025  
FAX (312) 704-7394  
E-MAIL DOUG.DEANGELIS@53.COM

October 18, 2013

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 for the months July, August, and September of 2013 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



## 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

INVESTMENT BANKERS SINCE 1928

October 3, 2013

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

Re: State of Illinois Credit Default Swap Questions

Dear Mr. Sinsheimer:

Enclosed please find our responses to the above-referenced questions related to credit default swaps per State Statute on State of Illinois General Obligation Bonds and Build Illinois Bonds from July 1, 2013 through September 30, 2013. Also, please note our new address:

**Anthony N. Fratto**  
**George K. Baum & Company**  
**1 N. LaSalle St.**  
**Suite 1725**  
**Chicago, IL 60602**

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

Regards,

A handwritten signature in black ink, appearing to read 'Albert A. Boumenot', written over a faint circular stamp.

Albert A. Boumenot  
Senior Vice President  
Illinois Public Finance

AAB/cb

cc: Sophia Ronis

Enclosure

**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.*

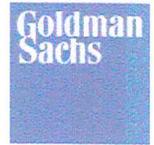
**None. George K. Baum & Company has never participated in any such trading activity.**

- 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.**



October 28, 2013

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. about 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 (July 1, 2013 through September 30, 2013). Goldman Sachs's cumulative notional volume of trades in State of Illinois CDS during that time was \$27.5 million. Goldman Sachs's net notional position as of September 30, 2013 in Illinois CDS was negative \$39.3 million, and our gross notional position in Illinois CDS was \$3.06 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.

- **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,



Carlos Pineiro  
Vice President

**Guggenheim Securities' Response to the State of Illinois Credit Default Swap Request, October 7, 2013**

**State of Illinois Credit Default Swap Questions**

*For the period from January 1, 2013 through September 31, 2013*

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 in the current year.

- 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 or long credit protection as of the end of the current 3-month period.

Not applicable (see above)

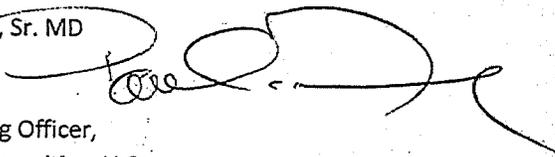
- List at all times during the past 3 months during which the firm held net long or short State of Illinois proprietary credit protection positions, the amount of such positions, and whether those positions were net long or short credit protection positions.

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, Sr. MD



Chief Operating Officer,  
Guggenheim Securities, LLC

October 23, 2013

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

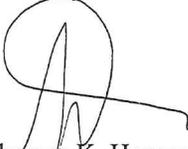
**RE: Janney Montgomery Scott ("Janney") Illinois Credit Default Swap ("CDS") Activity for 3Q 2013**

Dear Mr. Sinsheimer:

Please accept the following responses as relating to the third quarter of 2013 (July 1 – September 30). 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  
[thenson@janney.com](mailto:thenson@janney.com)

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

October 25, 2013

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 LLC market activities related to credit default swaps per State Statute of Illinois General Obligation bonds and Build Illinois bonds from July 1, 2013 through September 30, 2013. Please see page 2.

Sincerely,



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

Re: State of Illinois General Obligation bonds and Build Illinois bonds for the period of July 1, 2013 through September 30, 2013.

## 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:	September 30, 2013
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")?	No
If so, what is your firm's cumulative notional volume of State of Illinois CDS transactions for the most recently ended three-month period?	N/A
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?	N/A
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?	No

STATE OF ILLINOIS: CDS DISCLOSURE



Thomas Coverick  
Managing Director  
312-730-2715 Phone  
312-730-2759 Fax  
[thomas.coverick@key.com](mailto:thomas.coverick@key.com)

October 31, 2013

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 October 7, 2013 requesting KeyBanc Capital Markets' activities related to State of Illinois credit default swaps (from July 1, 2013 through September 30, 2013).

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-quarter 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-quarter 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,

A handwritten signature in blue ink that reads "Thomas M. Coverick".

Thomas M. Coverick  
Managing Director  
KeyBanc Capital Markets Inc.

cc: Sophia Ronis



Member FINRA, SIPC & SIFMA

LEBENTHAL & CO., LLC  
521 Fifth Avenue, 15<sup>th</sup> Floor  
New York, NY 10175

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

October 23, 2013

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

Re: State of Illinois Credit Default Swap Questions: July 1, 2013 - September 30, 2013

Dear John:

Pursuant to your request for information dated October 7, 2013, 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 July 1, 2013 through September 30, 2013.

- **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.



# 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





**Loop Capital Markets**

111 West Jackson Blvd., Suite 1901  
Chicago, IL 60604

T 312.913.4900 F 312.913.4928

Toll Free 888.294.8898

[www.loopcapital.com](http://www.loopcapital.com)

April 25, 2014

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 between July 1, 2013 through September 30, 2013, 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,

A handwritten signature in black ink, appearing to read "Clarence Bourne".

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

## State of Illinois Credit Default Swap Questions

Third Quarter 2013

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 July 1, 2013 through September 30, 2013**)

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

**July 1, 2013 through September 30, 2013**

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.*

October 17, 2013

**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 July 1, 2013 through September 30, 2013 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 volume<sup>1</sup> of State of Illinois CDS trades during the Review Period was \$0. The outstanding gross and net notional amount<sup>2</sup> of State of Illinois CDS as of the end of the Review Period is \$2,601,731,000 and \$40,931,000, 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

---

<sup>1</sup> 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.

<sup>2</sup> 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

October, 2013

## 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 (July 1 through September 30, 2013).

- 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

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



## Northern Trust

October 24, 2013

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 July 1, 2013 through September 30, 2013. 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

NOT FDIC INSURED	May Lose Value	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.



10-23-13

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.

- 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 style with a large, sweeping flourish at the end.

Jack Holland  
Managing Director  
Oppenheimer & Co. Inc.

October 24, 2013

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](mailto:john.sinsheimer@illinois.gov) and [Sophia.ronis@illinois.gov](mailto:Sophia.ronis@illinois.gov)

Dear Mr. Sinsheimer:

This letter is in response to your letter dated October 7, 2013 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 July 1, 2013 through September 30, 2013. 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



VIA OVERNIGHT MAIL

October 28, 2013

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

RE: PNC Capital Markets LLC - State of Illinois CDS Disclosure for Third Quarter 2013

Dear Mr. Sinsheimer:

This letter is in response to your letter of October 7, 2013 addressed to Jason DiMartini 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 July 1, 2013 through September 30, 2013 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,

A handwritten signature in black ink, appearing to read 'Elizabeth Coolidge', written over a horizontal line.

Elizabeth Coolidge  
Managing Director

312-338-2262  
elizabeth.coolidge@pnc.com

cc: Leonard S. Ferleger  
Jon Mooney  
Andrew Tino  
Sophia Ronis

**PNC Capital Markets LLC**  
Member of The PNC Financial Services Group  
1600 Market Street, Philadelphia, Pennsylvania 19103

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

October 21, 2013

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, July 1, 2013 through September 30, 2013 and has never released any publicly available research or marketing reports that reference the State of Illinois CDS.

Sincerely,



Carol Podesta Foley  
President



April 25, 2014

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 April 25, 2014 regarding Ramirez & Co's ("Ramirez") and U.S. Bancorp's ("USB") use of credit default swaps ("CDS") for the time period of July 1, 2013 to September 30, 2013.

- 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

CC: Sophia Ronis - GOMB  
Jennifer Card - GOMB  
Ramirez Compliance Department

# RAYMOND JAMES®

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

FROM: Raymond James  
Kevin Thompson, Managing Director

RE: State of Illinois Credit Default Swap Questions

DATE: October 21, 2013



Please find information related to Raymond James activities related to credit default swaps per State Statute on State of Illinois General Obligation bonds and Build Illinois bonds from July 1, 2013 through September 30, 2013.

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



**Kevin W. Hoecker**  
Director  
RBC Capital Markets, LLC  
Phone: 312-559-3876  
Fax: 312-559-1650  
[kevin.hoecker@rbccm.com](mailto:kevin.hoecker@rbccm.com)

October 4, 2013

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 October 2013 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 October 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,

A handwritten signature in black ink, appearing to read 'Kevin Hoecker', written over a white background.

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

cc: Ralph Desena  
Mark Maroney  
Brain Hellberg

October 18, 2013

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

Dear Mr. Sinsheimer:

Below please find our responses to the request for information of Rice Financial Product Company's market activities related to credit default swaps per State Statute on State of Illinois General Obligation bonds and Build Illinois bonds from July 1, 2013 through September 30, 2013.

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.

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.

No.

- 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.



Financial Products Company

- 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.

Please feel free to contact me if you have any questions or require additional information.

Thank you.

Sincerely,

*Michael C. Murray*

Michael C. Murray  
Partner

Thomas J. Gavin  
 Managing Director  
 Public Finance

October 24, 2013

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 from July 1, 2013 through September 30, 2013. 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.*

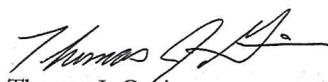
A: Baird has not held State of Illinois CDS proprietary credit protection positions during the past 3 months.

*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.

Sincerely,



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

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](mailto:tgavin@rwbaird.com)

October 28, 2013

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 request for information regarding our firm's market activities related to credit default swaps ("CDS") from July 1, 2013 through September 30, 2013.

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,



Karen Walker  
Managing Director

cc: Sophia Ronis

# SternBrothers&Co

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

October 10, 2013

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

## 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 3rd quarter of 2013.*

- 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 September 2013.*

- 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.*



October 15, 2013

Mr. 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, Illinois 60601  
United States

Re: Market Activities Related to Credit Default Swaps

Dear Mr. Sinsheimer,

Sterne Agee **did not participate** in State of Illinois CDS activities within the past 3 months. Therefore, our 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, is \$0.

As of the end of the current 3-month period, Sterne Agee **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, Sterne Agee's outstanding gross and net notional amount of proprietary State of Illinois CDS is \$0.

During the past 3 months, the firm **did not hold** any net long or net short State of Illinois CDS proprietary credit protection positions.

Within the previous 3 months, the firm **did not release** any publicly available research or marketing reports that reference State of Illinois CDS.

Please contact me if you have any questions or need additional information.

Sincerely,

James L. Smith, III  
Sterne, Agee & Leach, Inc.  
Public Finance Investment Banking

28 April 2014

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") we are pleased to submit our response to the State of Illinois' request for information regarding our firm's CDS activities for the period July 1, 2013 through September 30, 2013. Stifel does not currently trade Illinois CDS, nor do we have any intention to do so in the foreseeable future. Please find below our compliance with statutory requirements per the General Obligation and Build Illinois Bond Acts (30 ILCS 330 and 30 ILCS 425).

**State of Illinois Credit Default Swap Compliance**

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 selected 3 months.

1. *Disclose whether, within the past 3 months, pursuant to its credit default swap market-making activities, the firm has entered into any State of Illinois credit default swaps ("CDS")*

**Response: Stifel has NOT traded State of Illinois CDS within this period**

2. *Include in the event of State of Illinois CDS activity, disclosure of the 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 NO State of Illinois CDS positions during this period**

3. *Indicate, pursuant to the firm's proprietary trading activities, disclosure of whether the firm, within the past 3 months, has entered into any proprietary trades for its own account in State of Illinois CDS. Include, in the event of State of Illinois proprietary trades, disclosure of the 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 NOT entered into any proprietary State of Illinois CDS trades within this period**

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, 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**

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*

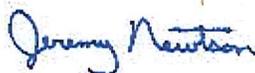
**Response: Stifel has NOT released research referencing the State of Illinois CDS during this period**

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  
 Director  
 (312) 454-3849



Rushda Mustafa  
 Assistant Vice President  
 (312) 454-3874

Dear Mr. Sinsheimer:

I am responding to your email dated October 21, 2013 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 can advise you that:

- 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
- WFBNA has not released any publicly available research or marketing reports that reference IL CDS in the relevant time period

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

Sincerely,  
Victor Chang

---

# William Blair

October 21, 2013

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

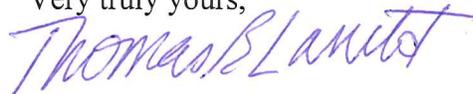
Dear Mr. Sinsheimer:

This letter responds to your letter dated October 7, 2013 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 July 1, 2013 through September 30, 2013.

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

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

+1 312 236 1600 tel

**State of Illinois Credit Default Swap Questions**  
**(July 1, 2013 through September 30, 2013)**

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 July 1, 2013 and ending September 30, 2013.

- 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 September 30, 2013.

- 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.