

**AMENDMENT IN THE NATURE OF A SUBSTITUTE TO
H.R. 2827**

OFFERED BY MS. Waters

Strike all after the enacting clause and insert the following:

1 SEC. 1. DEFINITION OF MUNICIPAL ADVISOR.

2 Section 15B(e)(4)(C) of the Securities Exchange Act
3 of 1934 (15 U.S.C. 78o-4(e)(4)(C)) is amended by strik-
4 ing “or engineers providing engineering advice” and in-
5 serting “engineers providing engineering advice, or any
6 elected or appointed member of a governing body of a mu-
7 nicipal entity or obligated person with respect to such
8 member’s role or person on the governing body”.

9 SEC. 2. DEFINITION OF INVESTMENT STRATEGIES.

10 Section 15B(e)(3) of the Securities Exchange Act of
11 1934 (15 U.S.C. 78o-4(e)(3)) is amended to read as fol-
12 lows:

13 “(3) the term ‘investment strategies’—

14 “(A) means plans or programs for the in-
15 vestment of the proceeds of municipal securities
16 that are not municipal derivatives or guaran-
17 teed investment contracts, and the rec-
18 ommendation of and brokerage of municipal es-

1 crow investments, where, with respect to the
2 municipal advisor offering such plans, pro-
3 grams, or recommendations, such proceeds of
4 municipal securities and municipal escrow in-
5 vestments—

6 “(i) are known, or should be known,
7 to the municipal advisor to be comprised of
8 funds or investments maintained in a seg-
9 regated account that is exclusively for the
10 purpose of maintaining such proceeds or
11 escrow investment; or

12 “(ii) have been identified to the mu-
13 nicipal advisor as funds or investments
14 that constitute the proceeds of municipal
15 securities or municipal escrow investments;
16 and

17 “(B) does not include—

18 “(i) merely acting as a registered
19 broker, dealer, or municipal securities deal-
20 er with respect to the purchase or sale of
21 a security or other instrument;

22 “(ii) providing a list of, or price
23 quotations for, investment options or secu-
24 rities or other instruments which may be
25 available for purchase or investment or

1 which satisfy investment criteria specified
2 by a municipal entity;

3 “(iii) acting as a custodian;

4 “(iv) providing generalized informa-
5 tion concerning investments which are not
6 tailored to the specific investment objec-
7 tives of the municipal entity; or

8 “(v) providing advice with respect to
9 matters other than the investment of pro-
10 ceeds of municipal securities or municipal
11 financial products;”.

