

DEPARTMENT OF FINANCE *d*  
DATE REC'D: JUN 27 2023  
ROUTE TO:  
COPY TO:  
ACTION BY: *Pub. Svcs - Accounting*  
FAC: *Arbitrage*

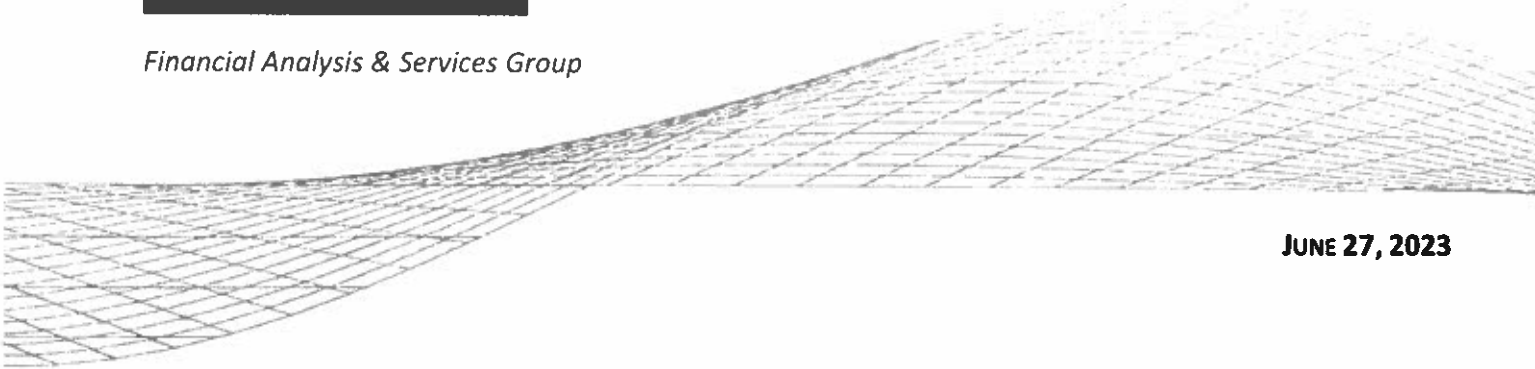
**STATEMENT OF QUALIFICATIONS TO PROVIDE  
ARBITRAGE COMPLIANCE CONSULTING SERVICES**

**RESPECTFULLY SUBMITTED TO THE**

**COUNTY OF HAWAI'I**



*Financial Analysis & Services Group*



**JUNE 27, 2023**

10/10/10

**TABLE OF CONTENTS**

---

EXECUTIVE SUMMARY LETTER

**TAB A. SOQ CONTENT**

ARBITRAGE REBATE AND YIELD RESTRICTION EXPERIENCE ..... 1  
SCOPE OF SERVICES ..... 4  
ARBITRAGE TEAM ..... 6  
PROPOSED FEES ..... 10





PHONE: 212-820-9300  
FAX: 212-514-8425

7 WORLD TRADE CENTER  
250 GREENWICH STREET  
NEW YORK, NY 10007  
WWW.HAWKINS.COM

NEW YORK  
WASHINGTON  
NEWARK  
HARTFORD  
LOS ANGELES  
SACRAMENTO  
SAN FRANCISCO  
PORTLAND  
ANN ARBOR  
RALEIGH

June 27, 2023

Mr. Chris Nakano  
Treasurer  
Department of Finance-Treasury Division  
County of Hawai'i  
25 Aupuni Street, Room 1102  
Hilo, Hawai'i 96720-4245

Re: Statement of Qualifications to Provide Arbitrage Compliance Consulting Services

Dear Mr. Nakano:

Hawkins Delafield & Wood LLP ("Hawkins") is pleased to have the opportunity to present the attached statement of qualifications to provide arbitrage compliance consulting services ("Arbitrage Services") to the County of Hawai'i (the "County"). Hawkins has a preeminent reputation and has played a predominant role in public finance law for more than a century. Our subject-matter expertise in public finance law, acting either as rebate consultant, bond counsel, underwriter's counsel, disclosure counsel or special counsel, along with our dedication and personal approach to our clients' concerns, distinguishes us from our competitors in the industry. The size and the national scope of our public finance practice allow us to provide an unsurpassed level of Arbitrage Services that are tailored to the specific needs of public finance clients.

Hawkins has been closely involved with the County for many years, having served as bond or underwriter's counsel for most of the County's general obligation transactions. We believe that the combination of our familiarity with the County's issues with our extensive tax law and arbitrage rebate expertise ideally qualifies us to assist the County with its arbitrage rebate compliance efforts. In addition, we have worked as a rebate consultant on the County's public improvement bonds, 1996 Series A issue.

An executive summary of our Arbitrage Services is set forth below for your consideration:

- ★ **Extensive Arbitrage Experience:** We have provided Arbitrage Services to public finance clients since 1982, when the arbitrage rebate requirements first became applicable to certain tax-exempt bonds. The Financial Analysis & Services Group ("FAS"), our in-house arbitrage compliance group, is part of our Tax Department. FAS employs professionals with finance, economics, mathematics and statistics backgrounds. FAS professionals work closely with attorneys in our Tax Department. This close working relationship enables us to competently and efficiently undertake complex arbitrage analyses. FAS has prepared over 30,000 rebate compliance reports to date.
- ★ **Comprehensive Reports with a Hawkins Tax Opinion:** Our reports are comprehensive, clear and concise. They include the methodology employed, major assumptions and conclusions, supporting schedules and, most importantly, a tax opinion signed by one of our partners.



- ★ ***In-Depth Tax and Legal Expertise:*** We have one of the largest tax departments in the nation for tax exempt financings and are thoroughly versed in Federal tax requirements. We have dedicated tax attorneys who provide advice on public finance tax law to state and local governmental entities and non-profit organizations throughout the nation. The tax attorneys who work with FAS have degrees and prior work experience in finance and public finance law. This is one of the many key attributes that distinguishes us from other rebate consultants.
- ★ ***In-Depth Tax Audit Experience:*** We have substantial expertise in representing and advising issuers and conduit borrowers in IRS audits, examinations and inquiries. The size and formidable reputation of our tax department, together with the analytical experience and expertise of FAS, have proven to be a powerful combination in facilitating the IRS audit process.
- ★ ***Arbitrage Mitigation and Advice:*** As part of our Arbitrage Services, we consider various elective and computational options and investment strategies which may be available to reduce rebate and yield restriction liabilities. We will ensure that our clients receive the best possible arbitrage advice.
- ★ ***Value-Added Approach:*** We take a value-added approach in providing Arbitrage Services. Providing value means, among other things, minimizing costs, making arbitrage rebate and yield restriction compliance as administratively easy as possible for our clients, completing projects on time and minimizing the rebate and yield restriction liabilities of our clients to the extent permitted by the Federal tax law and regulations.
- ★ ***Resources to Undertake Engagement:*** Our staffing resources and capacity are uniquely equipped to undertake and complete this engagement for the County in a timely and efficient manner. In addition to FAS and the tax and bond partners directly assigned to these matters, the full resources of the firm will be available if and when needed.
- ★ ***Competitive Fees:*** One of our competitive advantages is our track record for providing high quality Arbitrage Services at cost-effective rates. Having both tax and quantitative expertise and capabilities in-house has enabled us to develop our own programs which verify tax compliance matters relating to arbitrage, rebate and private activity. The quality and depth of our services are reflected in our competitive fees. Our fees are designed to ensure customer satisfaction.
- ★ ***Big Player:*** We currently have ten offices in seven states and the District of Columbia. The firm is consistently recognized by clients and peers for its sustained excellence. We were ranked first by SDC Platinum (formerly Thomson Reuters Financial) as underwriters' counsel and second as bond counsel nationally over a 40-year span. We have closed public finance transactions totaling \$1 trillion in aggregate principal amount since 1980 and complete between 400 to 600 bond financings each and every year. This hands-on experience, coupled with our broad bond law and tax law expertise, enables FAS to provide Arbitrage Services with the highest quality.

If you require additional information or desire clarification of any part of the proposal, please contact me at (212) 820-9432 or email me at [tiwata@hawkins.com](mailto:tiwata@hawkins.com).

Sincerely,



Takashi Iwata, Managing Director  
Financial Analysis & Services Group



**ARBITRAGE REBATE AND YIELD RESTRICTION EXPERIENCE**

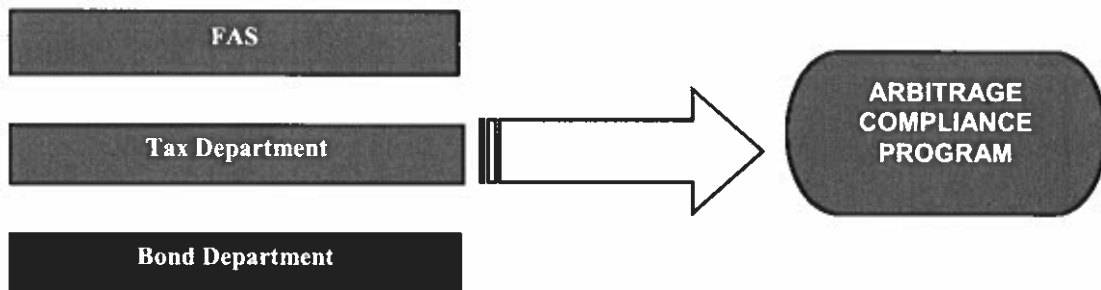
The firm’s Arbitrage Services are provided through a separate in-house arbitrage compliance group, the Financial Analysis & Services Group, or “FAS,” staffed by professionals with finance, mathematics, statistics and engineering backgrounds. FAS consists of three tax partners, one FAS managing director, a FAS Associate Director, a FAS consultant, five FAS financial analysts, a FAS administrative assistant and two FAS intern, for a total of fourteen. The Arbitrage Services will be performed in our New York City office at 7 World Trade Center, 250 Greenwich Street, New York, NY 10007. FAS devotes 100 percent of its time to providing arbitrage rebate and yield restriction services and financial structuring services.

Hawkins has provided Arbitrage Services to public finance clients since 1986. The senior members of FAS have, on average, over 30 years of experience in providing Arbitrage Services, as shown in the table below.

Name	Title	Years of Experience
Takashi Iwata	FAS Managing Director	26+
Neil Kaplan	Partner	33+

One of our key strengths in providing Arbitrage Services, and what sets us apart from other providers, is the integration of financial analysis, tax law and bond law expertise. Due to the differences in the ways financings are structured for different issuers and programs and the consequent effects these differences have on tax compliance, such integration has been a cornerstone of our practice since the inception of FAS.

Hawkins is able to efficiently mobilize the professionals in FAS and the attorneys in our Tax and Bond Departments, as illustrated below, to provide an integration of financial analysis, tax law and bond law expertise.



**Financial and Analytical Expertise.** FAS professionals are extensively trained to perform the financial analyses required in preparing arbitrage compliance reports. Such training includes general public finance principles, tax-exempt and tax-advantaged bond provisions of Federal income tax law and regulations, fixed-income investments, and complex financial modeling. Although this level of expertise is not required in every arbitrage rebate and/or yield restriction matter, it enables FAS to undertake the most complex and technically challenging analyses with little difficulty. This is evidenced by the fact that clients often ask FAS to participate in both arbitrage and non-arbitrage related transactions that have complex cash flow modeling or other analytical challenges. FAS team members are hired on a highly competitive and selective basis. We believe that only individuals with strong mathematical and analytical foundations can provide the attention to detail required for reliable arbitrage rebate and yield restriction calculations. Each FAS professional has gained arbitrage rebate and yield restriction compliance experience through specialized in-house training that includes arbitrage rules and regulations, financial modeling, fixed and variable income investments and bond financing mechanics.



Having the benefit of working with some of the most experienced tax and bond attorneys in the industry, FAS professionals have developed a broad and thorough understanding of tax-exempt bonds and arbitrage rebate and yield restriction compliance requirements.

Clients of FAS range from large state issuers with multiple issues and aggregate par amounts of more than \$2 billion, to small towns and school districts with single issues and par amounts under \$10 million. FAS clients are located in over 37 states, from Maine to Hawaii and from the Virgin Islands to Alaska. FAS has performed and verified over 1,000 annually and over 30,000 in total arbitrage rebate and yield restriction calculations for virtually every type of debt financing including:

- General obligation
- 501(c)(3)
- Governmental
- Healthcare
- Economic development
- Multi-family housing
- Single-family housing
- State revolving fund
- Student loan
- Transportation
- Power and energy
- Water and sewer

FAS staff has experience with virtually all structures, calculations, and debt instruments including:

- re-computation of bond yield
- commercial paper
- bond bank
- hedges such as swaps, caps, and collars
- GICs and forward rate agreements
- refundings and transferred proceeds
- purpose investment yield
- yield restricted funds
- penalty in lieu of rebate election
- fixed and variable rate bonds
- pools including recycled loans
- tax and revenue anticipation notes
- letter of credit and surety bond fees
- commingled funds
- universal cap
- program investment yield
- spend-down exceptions
- working capital financings

FAS has provided arbitrage services for the following clients similar to the County:

- County of Maui, Hawaii
- County of Los Angeles, California
- County of Fresno, California
- County of Mendocino, California
- County of Pima, Arizona
- County of Solano, California
- County of Suffolk, New York
- County of Tulare, California
- County of Westchester, New York
- County of Erie, New York
- County of Essex, New Jersey
- Metropolitan Government of Nashville and Davidson County
- Richland County, South Carolina
- City of San Diego, California
- City of Sacramento, California
- City and County of Honolulu, Hawaii
- City and County of San Francisco
- City of New York, New York
- City of North Bend, Oregon
- City of Owasso, Oklahoma
- City of Philadelphia, Pennsylvania
- City of Port Hueneme, California
- City of Purcell, Oklahoma
- City of Ripon (San Joaquin County), California
- City of Rohnert Park (Sonoma County), California

**Tax Law and IRS Audit Expertise.** Our tax department is one of the largest public finance tax departments in the country and is recognized as a leader in the industry. The tax partners have established reputations and are well-respected by issuers, conduit borrowers, investment banking clients, and bond and tax attorneys, as well as Federal officials. They are frequently requested to



participate in tax panels and in seminars throughout the country with respect to arbitrage rebate and yield restriction compliance, private use compliance, post issuance compliance and other tax matters. They are or have been active participants in the tax sections of the National Association of Bond Lawyers, the American Bar Association, and the New York State Bar Association, to name a few.

Hawkins' experience in handling IRS audits, examinations and inquiries is a significant reason many issuers retain us to provide Arbitrage Services. Hawkins has devoted significant resources to developing procedures for handling IRS audits, examinations and inquiries and providing advice to clients in the event of an IRS audit, examination or inquiry. In addition, our tax partners work frequently with IRS agents on arbitrage related matters and have represented and advised issuers on a large number of bond audits, examinations and inquiries by the IRS.

Because we serve as bond counsel on 400 to 600 bond financings every year, we are involved in representing clients on many IRS cases each and every year. Many of these cases were favorably closed with the receipt of "no-change" letters from the IRS. A few of these cases, involving failures by the issuers to pay the rebate and/or yield restriction liability amount on time, or in which the amount paid was insufficient, were settled with payments by the issuers.

**Bond Expertise.** As a leader in the public finance industry, Hawkins represents bond issuers, conduit borrowers, investment banks, credit enhancers, lenders and other participants in the markets. The firm has provided bond counsel, underwriters' counsel, disclosure counsel, bank counsel and special tax counsel services for virtually every type of public financing. Hawkins maintains in-depth resources to address any statutory law and bond resolution issues that may arise in arbitrage related matters. Such experience and expertise are beneficial when addressing questions that may arise during the course of an arbitrage rebate and yield restriction compliance engagement.



## SCOPE OF SERVICES

Our work plan for Arbitrage Services consists of a comprehensive list of tasks that are designed to analyze all relevant elements of a transaction. This approach, as detailed below, which incorporates both technical and legal analyses, ensures that all arbitrage rebate issues are addressed and incorporated into the analysis.

### Transaction Set-Up

- Review documents for any special elections and eligibility for any spending exceptions. Determine Bond Year and relevant IRS filing dates. Consult with the client regarding Bond Year selection if no selection was made at closing.

### Preparation of the Arbitrage Rebate and Yield Restriction Compliance Report

- Review documents with respect to each bond issue including, but not limited to, the tax certificate, IRS filings, portions of the official statement, the verification report (if any), and any documents relating to hedge transactions, investments, derivative products, and defeasances.
- Review and analyze debt service, original issue discount or premium, sources and uses of funds, and arbitrage yield by preparing schedules from source information such as the dated date, issue date, maturity dates, interest payment dates, bond coupons, redemption dates, initial public offering prices (or yields), and the flow of funds. Determine whether any yield adjustments resulting from "deep discount bonds" or "premium bonds" are required.
- Review and analyze the portfolio of investments in which gross proceeds of each bond issue are invested and reinvested, including the amount and type of investment (e.g., U.S. Treasury securities, bank certificates and deposits, guaranteed investment contracts, repurchase agreements, or other instruments), the purchase and sale dates, the purchase and sale prices, the coupon rates, the maturity dates, the interest payment dates, the investment earnings, and the funds and accounts in which such investments are held.
- Determine if any of the arbitrage exceptions are applicable and available to the subject bond issue. Determine if such available exception actually reduces the arbitrage rebate liability. Undertake the strategy that best serves the client. Exceptions include the 6-month spending exception, 18-month spending exception, 24-month spending exception, \$100,000 debt service fund earnings exception and \$2,500,000 annual debt service exception.
- Review and analyze whenever necessary the fair market price or present value of investments when the same are allocated to or deallocated from each bond issue.
- Review and analyze, using the future value methodology prescribed by the regulations, the amount of rebate liability with respect to each bond issue once each year as of the end of each bond year and as of the final maturity or redemption of such bond issue, taking into account adjustments required or permitted by the regulations.
- Review and analyze if any gross proceeds of each bond issue are subject to yield restriction. Calculate the amount of all applicable yield restriction liability.
- Prepare and provide to the client a detailed arbitrage rebate and yield restriction compliance report (which also contains the Hawkins tax opinion) with respect to each bond issue as to the amount of rebate and yield restriction liability and summarizing the assumptions and results of the arbitrage rebate and yield restriction calculations, with all relevant calculation schedules and input information attached thereto.
- Assist the client in determining its record-keeping, accounting and allocation methodologies and related areas that may better assist in complying with the arbitrage rebate and yield restriction requirements and reduce administrative burden.



- Prepare and provide to the client detailed instructions with respect to each bond issue as to the filing of the IRS Form 8038-T and/or IRS Form 8038-R with the Internal Revenue Service.
- Deliver to the client a tax opinion of the firm that the methodologies used in computing the rebate and yield restriction liabilities are in conformance with the Code and the regulations.

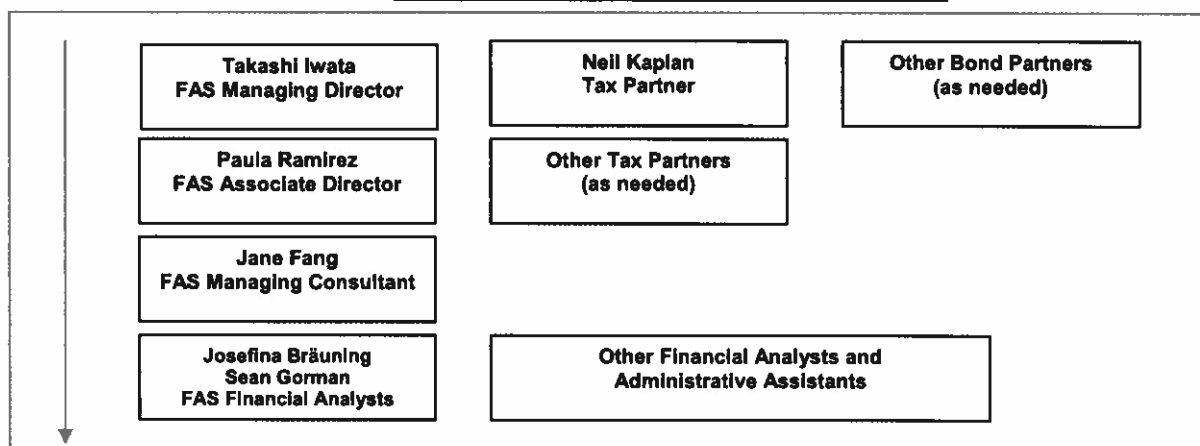


**ARBITRAGE TEAM**

We will establish a dedicated arbitrage team which consists of full-time staff for this engagement. The following organizational chart identifies the core arbitrage team members and other partners and employees of the firm available to FAS. Additional FAS consultants and FAS financial analysts will be added as needed.

We have more than sufficient staffing resources to undertake this engagement in a timely manner. All FAS members of the arbitrage team will be available to the County on a full time basis and the full resources of the firm will be available on an as-needed basis. Existing and projected engagements and even unanticipated engagements will not affect our availability to the County.

**ARBITRAGE TEAM ORGANIZATIONAL CHART**  
Illustrating Lines of Authority and Responsibility



A description of the role of each core team member is provided below.

**Takashi Iwata, FAS Managing Director**, will be responsible for the overall day-to-day management of services to be provided to the County and will serve as the team leader and primary contact person for the County for this engagement. Mr. Iwata will personally review all arbitrage rebate and yield restriction compliance reports prior to their formal release to the County.

**Paula Ramirez, FAS Associate Director**, will be responsible for the technical review of the draft arbitrage rebate and yield restriction reports. Ms. Ramirez will mobilize the arbitrage team to carry out our engagement with the County in a timely and efficient manner and will coordinate all activities to ensure that there is complete integration of bond law, tax law and financial analysis.

**Jane Fang, FAS Managing Consultant**, will be responsible for reviewing draft arbitrage rebate and yield restriction compliance reports prepared by the financial analysts. She will ensure that all reports are in conformance with the applicable tax laws and consider any available optional elections, investment valuations and computational methods to minimize arbitrage rebate and yield restriction liabilities.

**Josefina Bräuning and Sean Gorman, FAS Financial Analysts**, will prepare draft arbitrage rebate and yield restriction compliance reports. They will collect and review appropriate documentation, calculate the bond yield, determine proceeds subject to rebate and/or yield restriction, prepare cash flows, calculate arbitrage rebate and yield restriction liabilities, apply spending exceptions where applicable, and prepare a draft arbitrage rebate and yield restriction compliance report, including a tax opinion. They will also be responsible for alerting the County to future computation dates.

**Other Financial Analysts and Administrative Assistants** will perform ancillary analyses and a variety of duties such as maintaining the FAS transaction database and filing system, preparing IRS Forms, data entry, assisting with the preparation of final documents and proofreading.



**Neil Kaplan, Tax Partner**, will be responsible for all tax matters relating to this engagement. Working closely with Mr. Iwata, he will participate directly in the resolution of all tax issues, and provide a final review of all arbitrage rebate and yield restriction compliance reports, and will sign the tax opinion that accompanies each arbitrage rebate and yield restriction compliance report.

The following are the resumes of each core arbitrage team member:

**Takashi Iwata, FAS Managing Director.** Rutgers, the State University of New Jersey (B.A. in Mathematics and Statistics). Mr. Iwata also holds a Preparer Tax Identification Number (PTIN) to sign federal tax forms. Prior to joining Hawkins, Mr. Iwata worked as an actuary with a Big Four accounting firm where he developed a strong foundation in financial analysis and a high level of proficiency in spreadsheet and database applications. Mr. Iwata has been an essential part of FAS for over 26 years and was promoted to Director of the group in 2003 and Managing Director in 2018. He has worked on a wide variety of arbitrage rebate and yield restriction matters, including refundings with transferred proceeds, defeasances, penalty in lieu of rebate, pooled financings, parity analysis, universal cap analysis, common fund analysis and investment analysis. He has worked on thousands of arbitrage rebate and yield restriction compliance reports for cities, counties, states, housing authorities, corporations, agencies and school districts.

Additionally, Mr. Iwata has served as a panelist at various conferences on arbitrage rebate and yield restriction matters (e.g., New York State Government Finance Officers Association, Association of Environmental Authorities, California Debt and Investment Advisory Commission and Arbitrage Conferences for Oregon, New York and New Jersey issuers). Mr. Iwata was a guest speaker at the 2019, 2021, 2022 and 2023 Bond School held in New York City. He is a member of the Urban Leadership Fellows Program of the Municipal Forum of New York, Government Finance Officers Association and the Municipal Bond Club of New York.

**Level of Staff Training:** Over 1,000 hours of in-house training from the tax attorneys. Reviewed and calculated over 30,000 arbitrage compliance reports in the past 26 years.

**Projects:** County of Hawaii, County of Maui, City and County of Honolulu, City and County of San Francisco, County of Westchester, County of Essex, County of Erie, County of Solano, City of Albany, City of Anderson, City of Ashland, City of Barstow, City of Brawley, City of Calistoga, City of Eugene, City of Eureka (Humboldt County), City of Fort Bragg, City of Glendora (Los Angeles County), City of Hanford (Kings County), City of Healdsburg (Sonoma County), City of Lakeport, City of Manchester, City of Merced, City of New York, City of Owasso, City of Philadelphia, City of Port Hueneme, City of Ripon (San Joaquin County), City of Rohnert Park (Sonoma County), City of San Diego, City of San Jose, City of Scottsdale, City of South Pasadena, City of South San Francisco, City of St. Helena, City of Stockton (San Joaquin County), City of Tulare, City of West Sacramento, City of Woodward and City of Yonkers.

**Paula Ramirez, FAS Associate Director.** University of Rosario (B.A. in Economics and Finance), University of Connecticut (M.B.A.) and Municipal Bond School (certificate). Ms. Ramirez also holds a Preparer Tax Identification Number (PTIN) to sign federal tax forms. Prior to joining Hawkins, Ms. Ramirez worked as a market risk analyst, where she obtained knowledge in investment valuation and VBA. As a financial analyst at Hawkins, Ms. Ramirez has worked on arbitrage rebate and yield restriction calculations, bond yield calculations, transferred proceeds analyses, and amortization schedules.

**Level of Staff Training:** Over 500 hours of in-house training from the tax attorneys. Reviewed and calculated over 8,000 arbitrage compliance reports.

**Projects:** County of Maui, County of Fresno, CA, County of Essex, NJ, Richland County, SC, County of Westchester, NY, Metropolitan Government of Nashville and Davidson County, City of Philadelphia, PA, City of New York, NY, City of Yonkers, NY, City of San Diego, CA, City of Lakeport, CA, City of Ripon, CA, City of Coos Bay, OR, District of Columbia, State of California, State of Wisconsin, State of Oregon, State of New Jersey and State of California.



**Jane Fang, FAS Managing Consultant.** Shanghai University of International Business and Economics (B.S. in Economics), State University of New York at Buffalo (M.S. in Quantitative Finance), Charter Financial Analyst (CFA), and Municipal Bond School (certificate). Ms. Fang is a creative, dedicated, and efficient financial analyst with solid accounting and fundamental analytical experience. Her master courses provided her with the knowledge of fixed income, derivatives, financial modeling, investment management, merger and acquisition and financial statements analysis. Prior to Hawkins, Ms. Fang worked as a private equity analyst in Search Fund Accelerator, an investment intern at United Overseas Bank, and an external audit intern at Ernst & Young, developing her skillsets in financial performance analysis, portfolio management, market research, and excel proficiency. Ms. Fang has worked on arbitrage rebate and yield restriction calculations, universal cap analysis, amortization schedules, transferred proceeds analysis, parity fund allocation analysis and bond yield calculations.

**Level of Staff Training:** Over 350 hours of in-house training from the tax attorneys. She has reviewed and calculated over 4,000 arbitrage compliance reports.

**Project Experience:** County of Maui, HI, Richland County, SC, County of Spartanburg, SC, County of Essex, NJ, County of Passaic, NJ, County of Westchester, NY, City of New York, City of Yonkers, NY, City of Scottsdale, AZ, City of Philadelphia, PA, City of Madera, CA, City of Hugo, OK, State of New Jersey, State of Connecticut, State of Wisconsin and State of Oregon.

**Josefina Bräuning, FAS Senior Financial Analyst.** University of Pennsylvania (B.A. in Economics), Imperial College London (M.Sc. in Finance and Accounting) and Municipal Bond School (certificate). Through extensive academic training and various internships in corporate finance and asset management, Ms. Bräuning has acquired excellent quantitative skills and knowledge of fixed income, derivatives, financial statement analysis, investment management, and financial modeling. Ms. Bräuning has worked on arbitrage rebate and yield restriction calculations, bond yield calculations, transferred proceeds analyses, and amortization schedules.

**Level of Staff Training:** Over 150 hours of in-house training from tax attorneys. She has reviewed and calculated over 500 arbitrage compliance reports.

**Project Experience:** Richland County, SC, County of Essex, NJ, County of Maui, HI, County of Westchester, NY, Metropolitan Government of Nashville-Davidson County, City of Philadelphia, City of San Diego, City of New York, City of Yonkers, State of Oregon, State of New Jersey, State of Connecticut, State of Wisconsin and State of California.

**Sean Gorman, FAS Financial Analyst.** Syracuse University (B.S in Accounting) and Municipal Bond School (certificate). Mr. Gorman has polished his skillset in financial analysis through widespread academic education and with internship experience in accounting in the logistics industry. Mr. Gorman has worked on arbitrage rebate and yield restriction calculations, universal cap analysis, amortization schedules, useful life charts, transferred proceeds analysis, and arbitrage yield calculations.

**Level of Staff Training:** Over 75 hours of in-house training from tax attorneys. He has reviewed and calculated over 100 arbitrage compliance reports.

**Project Experience:** County of Maui, Richland County, SC, County of Westchester, NY, City of Yonkers, City of Scottsdale, City of San Diego, CA, City of Philadelphia, PA, City of Eugene, OR, City of Coos Bay, OR, Multnomah County, OR, District of Columbia, State of Oregon, State of New Jersey and State of Connecticut.



**Neil Kaplan, Tax Partner.** Dickinson College (B.A.), Legal Education – New York Law School (J.D.) and New York University School of Law (LL.M., Taxation). Mr. Kaplan joined Hawkins as a partner in 2015, after having practiced law for more than thirty years in the Municipal Finance Division of the New York City Law Department as well as another nationally-recognized bond counsel firm. Mr. Kaplan has decades of experience in the area of federal income tax law, having worked on various public projects including the financing of complex information technology systems for states, school districts and other educational institutions. Mr. Kaplan is a member of the New York State bar and the National Association of Bond Lawyers, and has lectured on the federal tax aspects of tax-exempt bond issues at various seminars. He also served as Editor-in-Chief of the *Federal Taxation of Municipal Bonds* publication.



**PROPOSED FEES**

We have had a long history of mutually satisfactory fee arrangements with our clients. The following fee proposal reflects our experience with rebate clients nationwide and represents our best judgment as to what constitutes fair and competitive compensation arrangements for providing arbitrage compliance services. As has been our practice in the past, we are always prepared to discuss fee arrangements to ensure client satisfaction.

Fees Per Bond Issue	Amount
<b>Annual Arbitrage Compliance Report Fee:</b> The report includes a summary of results, our legal opinion, summaries of assumptions and methodologies, detailed schedules, and, if necessary, a Form 8038-T with instructions for submission to the IRS. Each report covers a period of up to one year. Reports are provided in PDF (electronic file format).	\$1,250
<b>Extended Computation Periods Fee:</b> This fee reflects the incremental time and effort required for preparing rebate and yield restriction analyses covering periods in excess of 12 months.	\$500/year

Additional Services fees (per bond issue) may apply such as Transferred Proceeds Analysis, Universal Cap Analysis, Yield Restriction Analysis, Commingled Fund Analysis, and Variable Rate Bond Yield Computation. These fees are at \$350 for each analysis.

Extraordinary Services fees: The fee described above does not cover the time and effort required to be expended in providing legal advice or counsel with respect to extraordinary items not customarily anticipated to arise in connection with rendering arbitrage rebate services (e.g., legal representation of a participant in the event of an IRS audit, IRS examination and IRS refund claim). For these items, we will be compensated at our customary rates for FAS members, tax partners, associates and other staff or under such other arrangement as may be reached with the County. In no event will any such additional or extraordinary services be rendered unless expressly requested and approved by the County.

