

# **Bond Case Briefs**

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## **WSJ: SEC in Pact With California School District on Bond Offer.**

### **Kings Canyon Joint Unified School District Allegedly Failed to Provide Some Required Financial Disclosures**

The Securities and Exchange Commission said Tuesday it reached a settlement with a California school district on claims the district failed to provide some required financial disclosures during a 2010 bond offering.

The case is the first to be resolved under a SEC initiative to address materially inaccurate statements in municipal bond offering documents, the agency said.

According to the SEC, the Kings Canyon Joint Unified School District had affirmed to investors that it had complied with previous disclosure requirements in the course of a 2010 bond offering. However, the SEC said the school district had failed to submit some required disclosures between at least 2008 to 2010.

The California school district agreed to settle the charges without admitting to or denying the findings. Terms of the settlement include consenting to a cease-and-desist order, adopting written policies related to continuing disclosure obligations and disclosure of the terms of its settlement with the SEC in future bond offering materials.

"The school district is glad they were able to resolve the matter amicably with the SEC," said Jeffrey Kuhn, defense counsel for the district.

Mr. Kuhn said there were "inadvertent errors in the way they handled things" that have been acknowledged and the district is in the process of adopting policies and procedures so that it won't happen again.

Under an initiative that began in March, the SEC's enforcement division agreed to recommend standardized settlement terms for issuers and underwriters who self-report or who were already under investigation for violations involving continuing disclosure obligations. The initiative is set to expire Sept. 10.

By TESS STYNES

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