



First Southwest Company *Underwriting Overview*

First Southwest Company is one of the most trusted names in the public finance industry with a 61-year history of providing exceptional underwriting, financial advisory, and investment management services. The firm enjoys a unique advantage over other underwriting firms as the largest financial advisor in the country that is also a broker/dealer.

First Southwest's over 200 registered representatives are primarily engaged in public finance, including institutional sales professionals whose primary focus is municipal debt, ensuring that clients' bonds and notes get the attention needed for successful pre-marketing and distribution.

Additionally, First Southwest serves as clearing agent for more than 75 broker/dealer firms throughout the nation. These firms can access First Southwest's inventory of municipal bonds via the Internet, and add significant retail distribution capacity to the already broad reach of our institutional sales force.

First Southwest's sales force has strong distribution capabilities to the following investor groups (ranked by volume):

- **Tier 1 Firms:** Large institutional investors (e.g., mutual funds, trust departments, major corporations, money managers, insurance companies, arbitrage accounts, hedge funds and tender option programs). Because of First Southwest's national prominence in the financial advisory arena, the firm has an edge over most underwriting firms in selling bonds to these firms.
- **Tier 2 Firms:** Regional institutions (e.g., certain bond funds, trust departments, smaller corporations). Sales to these entities are largely relationship based. First Southwest can expose an issuer's bonds to markets that are often overlooked by major firms. While other firms are cutting back sales and gravitating toward an electronic distribution model, First Southwest is actively expanding its sales force in this important market segment.
- **Retail (high-net-worth individuals, local money managers, prime brokers):** Our high-net-worth retail effort allows us to reach local investors, which gives our underwriting desk additional confidence when the time comes to underwrite an issue. While always an important part of our customer base, First Southwest is now expanding its retail business.

In 2007, First Southwest ranked in the top twenty nationally for senior managed long term underwritings and in the top twenty-five for short term underwritings. We also ranked eighth nationally for bank qualified underwriting (according to Thomson Securities Data Corporation). During the last five years, First Southwest has participated in 1,452 underwritings, as a senior manager or co-manager, for a total par amount exceeding \$45 billion. During the same period, we acted as financial advisor on an additional 3,037 transactions exceeding \$108 billion. We also maintain an active remarketing book of variable rate and auction rate securities totaling over \$1.6 billion. As an integral part of our financial advisory services, our trading desk works closely with underwriters across the nation on all types of projects, creating a sophisticated understanding of the markets and a valuable knowledge base concerning the latest structures and strategies that will produce the lowest interest cost for our issuers.

First Southwest has a 61-year history of providing exceptional underwriting, financial advisory, and investment management services. Let us put our expertise to work for you. Call 800.678.3792 or visit www.firstsw.com.