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OFFICE OF GOVERNOR RONNIE MUSGROVE  
INTEROFFICE MEMORANDUM

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**TO:** GOVERNOR  
**FROM:** RILEY  
**SUBJECT:** NAGB: ADDITIONAL INFORMATION/CLARIFICATION FOR FINANCIAL DISCLOSURE FORM  
**DATE:** 2/25/2003  
**CC:** FILE

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As I informed you this past Friday, Marcia Sprague, legal counsel with the USDE, has been reviewing your NAGB financial disclosure statement for conflict of interest purposes. Sprague sent the attached correspondence and she and I have talked via phone conversations to discuss the additional information that she needed.

As stated in Sprague's February 20<sup>th</sup> correspondence, her office instituted in January of this year an Addendum to the traditional financial disclosure report in order to reduce the amount of information that members of NAGB are required to report. She is applying these reduced requirements to your financial disclosure statement that we submitted on December 30. This results in our providing less information in some areas of the form and more information in other areas.

I have prepared another form for your signature based on Sprague's correspondence and our phone conversation. Sprague said that we did not have to submit another form, that she could make notations in the file, but I explained that we wanted a final form for our records. A summary of the revised form follows:

**Part 1:** You do not have to report the First Security Bank and BancorpSouth info unless any of the mutual funds are seeking action by NAGB, does business or seeks to do business with NAGB, conducts activities regulated by NAGB, or has interests that may be substantially affected your performance with NAGB (see Item 1 in Sprague 2/20/03 letter). Sprague said that this could be likely if you had an education vector mutual fund, but she hasn't heard of any. Thus, I have deleted First Security and BancorpSouth. Let me know if you think we should add First Security or BancorpSouth back due to any one of the mutual funds containing an educational holding.

Sprague said we needed to footnote the nature of the law firm settlement case so as to make it clear that the case did not involve the U.S. Government. Thus, please let me know the nature of the case (i.e., civil suit filed against private individual/business/corporation) so that I can denote it on the form.

I have added your position as Governor, per Sprague's directions.

**Part 2:** Your liabilities remain none.

**Part 3:** Per Sprague, you must list your position as Governor, as well as your serving on various boards and commissions (this information is provided on a separate sheet due to its length). These positions do not have to be listed under Part I because you do not receive compensation for them.

**Part 4:** Per Sprague, you need to list your state retirement.

**Part 5:** Per Sprague, you do not have to complete this section, as NAGB members are Special Government Employees.

Please do the following:

1. provide the language as to the nature of the law firm case
2. review the list of outside positions and mark any changes that you want made
3. sign and date the form on page 1 where highlighted.

I'm sorry we have to keep dealing with these forms. Thanks!