

New Jersey Division of Local Government Services
**Application For Approval As A Nationally Recognized
Electronic Securities Bidding Service
Proposal Submission Cover Sheet**

I. Contact information

Name of Organization: Grant Street Group
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Certification: I, Anthony G. Chiappetta, hereby certify that I am authorized by the organization submitting this proposal to submit this application:

Name: Daniel J. Veres

Signature:

Title: Executive Vice President

Date: 03/12/04

Include a file version of this form as part of the submission, and provide a printed copy with signature.

File the application via e-mail to: Mpfeiffer@dca.state.nj.us. Fax submissions to 609-292-9073. Submit any paper submissions to Marc Pfeiffer, Deputy Director, Division of Local Government Services, PO Box 803, Trenton, NJ 08625. Delivery address is 101 South Broad Street, Trenton, NJ. 08625.

II. Application Contents:

List the documents that are submitted in support of the application. Provide file names as appropriate.

III. Contents of Application

A. For each type of auction system provided, open or closed, describe how bidders submit bids for each auction model. Include for each auction type and option as appropriate:

- 1. Bidding process, including options available to issuers for open and closed bids;**
 - a) For open bids, include options on how auctions are ended (winner determined)**

Grant Street Group's MuniAuction web site offers both open and closed auctions. A predetermined date and time (15 or 30 minutes) for accepting bids is established by the issuer and, if they have one, their financial advisor. The winner is determined based on the lowest True Interest Cost (TIC) or Net Interest Cost (NIC) submitted when the bidding period is ended.

For open auctions, issuers have the option of extending the auction end time by utilizing the "two-minute rule." When the two-minute rule option is exercised, the auction is extended for a full two-minutes anytime a new leading bid is submitted with two minutes or less remaining in the auction. The bidding period will continue to be extended by two minutes as long as new leading bids are submitted.

2. Information available to bidders during the auction

In an open auction, underwriters receive a status indicator that shows how their bid compares with other competing bids. Thus, underwriters can improve on any submitted bid. Underwriters are not provided with the TIC/NIC of any competing bids. Nor are they made aware of which underwriters or the number of underwriters with whom they are in competition.

In a closed (sealed bid) auction, underwriters receive no rank status indicator regarding how their bid compares to other competing bids. An underwriter may improve or worsen a bid as often as they like, but final results are not disclosed to underwriters until after the bidding period has ended. Traditional (i.e., faxed, sealed or telephone) bids can also be accommodated when the closed auction option is selected.

3. Information available to issuer during the auction

The issuer, financial advisor, bond counsel, and any other party approved and authorized by the issuer and financial advisor are able to view the submission of all bids in real time during the sale. They see a table that automatically ranks all bids from lowest (or best) TIC or NIC to highest (or worst) TIC or NIC. Detailed information regarding what each bidder submitted (e.g., all-or-none purchase price submitted by the underwriter and coupon rate for each maturity) is available.

At the end of the bidding period, results of the sale are publicly posted on MuniAuction. Additionally, the unofficial winning bidder is notified within seconds via e-mail and prompted to provide reoffering information.

4. Maturity and pricing models allowed (i.e., maturity by maturity, all or nothing, etc.)

The vast majority of sales are conducted as all-or-none auctions.

5. Provisions for bidders to “practice” bidding prior to the bid

All upcoming auctions have a corresponding “Trial Auction” which can be utilized by underwriters to practice submitting their bid.

6. Help desk support for bidders

For assistance, underwriters can call Grant Street Group’s Bidder Support at 412-391-5555, Ext. 370, any time prior to, during, or after any sale. The Bidder Support Team is available to train underwriters in the usage of MuniAuction and assist and support them thereafter.

7. Technological requirements bidders must meet to participate

Bidders must have a computer connected to the Internet, and any general-purpose Web browser, such as Internet Explorer.

8. Costs and how they are allocated

Grant Street Group currently charges MuniAuction hosting and administration fees ranging between \$1,500 and \$5,000. This fee includes creating, testing and monitoring of the sale, Bidder Support, and our BondFile Pro services. BondFile Pro is a comprehensive electronic document posting and electronic document distribution service provided by Grant Street Group for both competitive and negotiated municipal bond and note issues. This service creates an online forward calendar of upcoming sales and provides an online “filing cabinet” of all offering documents. Issuers and financial advisors are also provided with access to an online tracking report of document deliveries and accesses.

9. Other features, such as bid calculation technology

Grant Street Group’s MuniAuction computes TIC or NIC based on each bidder’s all-or-none purchase price, coupon rate for each maturity, and bond insurance premium, if any. Grant Street Group’s MuniComp bid calculator allows underwriters to set up, save and submit one or more bids. Each auction is thoroughly reviewed and tested before going live.

B. Describe in general terms the technology used to support the auction. Include:

1. Communication protocols

Grant Street Group uses the HTTPS protocol, utilizing Secure Socket Layer (SSL) technology for the encryption of all transmissions between bidders' computers and Grant Street Group servers.

2. General description of host system

Grant Street Group Web and Database servers are located in a physically-secure, Class-A Internet data center, with multiple tier-one backbone connections to the Internet.

3. Backup and failure support

All auction information is backed up to multiple media and at more than one location. All Grant Street Group equipment is redundant, with failover capability within minutes.

C. Security practices – describe in primarily non-technical terms: _

1. How are authorized bidders authenticated

Users must enter using their unique combination of User ID and password. This User ID and password is re-validated with every button click during the course of an auction.

2. Describe how the system is protected from hacking or interference during a bid

Grant Street Group's information infrastructure meets current industry-standard best practices for secure lockdown, and has been audited by third-party security vendors.

3. Assurance that bidder's bids are received by the system

An underwriter receives feedback on the status of their bid immediately after bid submission. All bids are time-stamped and permanently logged immediately upon arrival on Grant Street Group's servers.

4. Provisions for security of bids from viewing by other bidders

Grant Street Group's Bidder Support Team grants bidding privileges to users for each sale.

5. Provisions for observers, including issuer to observe the bidding

The issuer, financial advisor, bond counsel, and any other party approved and authorized by the issuer and financial advisor are able to view the submission of bids in real time during the sale. Access to other detailed information is also provided.

D. Describe the requirements (including restrictions) bidders must meet in order to submit bids.

Bidder requirements are at the sole discretion of the issuer and/or their financial advisor.

E. Describe the service's experience in conducting electronic auctions of bonds

- 1. Historical experience**
- 2. Number of auctions**

Grant Street has conducted thousands of fixed income auctions since November, 1997. (See Grant Street Group's "Auction Ticker" at www.GrantStreet.com.)

F. Provide references of issuers and bidders

Grant Street Group will provide any issuer, financial advisor or underwriter references upon request.

IV. Other requirements

A. Availability of documents

- 1. Are Notices of Sale made available to prospective bidders through the system**
 - a) If so, describe how and any limits on access**
- 2. Are issuer official statements made available to prospective bidders through the system**
 - a) If so, describe how and any limits on access**

Both the Notice of Sale and Preliminary Official Statement are posted to Grant Street Group's MuniAuction. Additionally, we will e-mail a link to the Preliminary Official Statement to underwriters and provide access to an on-line tracking report of document deliveries and accesses. These electronic document posting and distribution services are provided at no additional cost and can save the Issuer thousands of dollars in printing and shipping. All Notices of Sale and Preliminary Official Statements are made available to prospective bidders on MuniAuction prior to the sale. After the sale, an ID and password are required to gain access to both the Preliminary Official Statement and Official Statement.

B. What other features for issuers and bidders are available?

Extensive support is provided to both the issuer and financial advisor by Grant Street Group. We provide editorial assistance with the Notice of Sale and maximize underwriter participation through our Bidder Support Team. All bids are entered into a web-based table with strict error control, thus eliminating bidding errors. A competitive sale can be held within twenty-four hours notice. The entire process of creating the sale and posting and distributing documents can usually be completed within sixty minutes or less. This allows Issuers to illustrate a commitment to technology by utilizing the latest technology to reduce financing costs.

C. Describe the procedure for accepting bid deposits, including financial surety bonds.

The use of Grant Street Group's MuniAuction does not affect traditional procedures for accepting bid deposits, including financial surety bonds.

V. Contact Information

Grant Street Group

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