

Form ADV, Part 2A:

FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of SPFI. If you have any questions about the contents of this brochure, please contact us at 512/275-7300. The information in this brochure has not been approved or verified by the United States Securities and Exchange commission or by any state securities authority.

Additional information about SPFI is also available on the SEC’s website at www.adviserinfo.sec.gov.

Please note that any reference herein to being registered does not imply a certain level of skill or training.



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

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Advisory Business

SPFI was founded in 2008 to provide independent financial advisory services to municipal entities. The firm's advisors have over 100 years of combined experience in the municipal finance practice and, together, have successfully closed over \$20 billion in municipal bond transactions.

SPFI's principal owners are: Garry R. Kimball, Daniel E. Wegmiller, Steven A. Adams, Robert V. Viaille, III, Jeffrey D. Garland, Jennifer R. Douglas and Paul N. Jasin.

SPFI has no intermediate subsidiaries.

SPFI utilizes various subscription data vendors, including Bloomberg, TM3 and MUNEX to provide comprehensive municipal finance advice to municipal bond issuers needing to finance public infrastructure, equipment and other governmental facilities. Our services are tailored to the needs of our clients and must comply with the rules of the Municipal Securities Rulemaking Board ("MSRB") and other federal and state statutes. SPFI does not manage **ANY** client assets and does not provide investment advisory services. SPFI clients are almost exclusively subject to various public funds investment laws, and the firm takes great care to remind clients of such restrictions.

Fees and Compensation

SPFI is compensated according to fee schedules negotiated and approved by clients in advance of (and typically contingent upon) the issuance of municipal bonds. In certain circumstances, the firm will be compensated on an hourly basis for advice which does not involve the actual issuance of municipal bonds. Financial advisory fees are negotiated on a case-specific basis for each of the firm's clients and such fees may be negotiated at adoption of a new or renewal of a financial advisory agreement. A typical fee schedule would be from \$20 per \$1,000 of bonds issued to \$0.50 per \$1,000 of bonds issued, depending upon the complexity of the client's finances, the type of pledged security and issuer type, among other considerations. Fees, according to written contract, may either be billed or wired directly upon closing of the financing transaction or achievement of other performance milestones.

Other fees for services rendered pursuant to written financial advisory contracts include computer structuring and bond offering document preparation fees. Such fees are, like financial advisory fees, typically contingent upon closing of a particular municipal bond transaction and will vary according to the complexity of the offering. The firm will also pay for bond ratings, bond printing services, CUSIP Bureau fees on our clients' behalf. Such "on-behalf-of" fees will also be reimbursed by the client and may not be contingent upon closing of a financing transaction. No fees are required to be pre-paid in connection with the issuance of municipal bonds by our clients.

SPFI does not recommend, nor does the firm take any compensation from the sale of investment products, either directly or indirectly through third party vendors. Because SPFI does not act as

principal on bond sales for clients, no sales commissions or mark-ups are charged in addition to financial advisory fees.

Performance-Based Fees and Side-by-Side Management

SPFI does not manage client assets and, therefore, does not share in capital gains or capital appreciation related to client assets or investments.

Types of Clients

SPFI clients generally include: Cities, counties, school districts, special utility districts and authorities, river authorities and agencies of the state. SPFI has no minimum or maximum client size restrictions.

Methods of Analysis, Investment Strategies and Risk of Loss

SPFI does not manage client assets or provide investment advisory services.

Disciplinary Information

Neither SPFI, nor any SPFI management person, has been involved in a civil or criminal action (domestic, foreign or military) involving an investment-related statute or regulation. Neither has SPFI, nor any SPFI management person, been the subject of any order, judgment or decree permanently or temporarily enjoining or otherwise limiting SPFI or any SPFI management person from engaging in any investment-related activity. Neither has SPFI, nor any SPFI management person, been named or involved in any proceeding before the SEC or other federal, state or foreign regulatory agency or SRO on any investment-related matter.

Other Financial Advisory Industry Activities and Affiliations

All SPFI owners listed previously are currently registered representatives by virtue of the control of certain SPFI shareholders of Preston Securities, an SEC-registered broker-dealer, which was formally dissolved in early 2013. Preston Securities never traded in either the primary or secondary market for municipal securities, and this control relationship represented no conflict of interest in relation to SPFI or its municipal clients. SPFI does not recommend other advisors or brokers to its clients for compensation.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

SPFI is regulated by the MSRB and owes a federal fiduciary duty to its municipal clients. SPFI does not manage client assets or provide investment advisory services, and consequently has no participation or interest in client investment transactions. SPFI does not permit personal trading related to **ANY** client asset or investment.

Brokerage Practices

SPFI will routinely recommend broker-dealers to underwrite the issuance of municipal bonds on our clients' behalf. In doing so, SPFI will take the following factors into consideration: (1) broker-dealer capital levels, (2) demonstrated willingness to commit capital to stock bonds for which no orders are received, (3) analytical effort on the part of the broker-dealer in advance of the sale of our clients' bonds, (4) performance and participation in competitive offerings of the municipal client on prior sales of bonds, and (5) knowledge and experience in a particular sector of the municipal bond market which might result in a higher price for the client's bond offering. SPFI subscribes separately to third party vendors (with no relationship to the brokers it might recommend) for research provided to clients and does not rely on research provided by brokers that underwriter clients' bonds.

Brokerage for Client Referrals

SPFI receives no soft-dollar benefits in connection with recommendations made to clients in their selection of a broker-dealer. SPFI does not make broker-dealer recommendations in return for favorable client referrals.

Directed Brokerage Accounts Review, Referrals and Other Compensation, Custody, Investment Discretion, Voting Client Securities and Financial Information

SPFI also does not require its clients to use specific brokers to execute transactions ("Directed Brokerage"), having no involvement in asset management or investment advisory services. As a consequence, SPFI is not required to review accounts, provide for custody of securities, accept or manage investment discretion, vote securities by proxy or provide investment-related financial information. SPFI neither accepts nor provides third party client referrals for compensation.

Requirements for State-Registered Advisors

The principal executive officers of SPFI's educational and business backgrounds are as follows:

Garry Kimball, President and Chief Executive Officer

Mr. Kimball has served as a financial advisor since 1993. He has represented city, county, school, special district and utility authority clients on a vast array of public infrastructure projects involving both tax-exempt and taxable bond issuance. Mr. Kimball also has experience with public/private project finance, tender option bond repurchase and multi-party conduit financing for regional projects. Mr. Kimball has served as lead banker on over 400 separate bond transactions with a total principal value in excess of \$4 billion.

Prior to joining the founding partners of Specialized Public Finance Inc., Mr. Kimball was a Senior Vice President with First Southwest Company. During his 15 years with this firm, he was a regulatory supervisor for the Austin office, a member of the firm's Operating Committee and a member of the firm's Special District Underwriting Committee. In 2008, Mr. Kimball was appointed to the Board of Directors of the Municipal Advisory Council of Texas but no longer serves in this capacity. Mr. Kimball also worked for Dresdner Bank AG in New York and Chicago and the Royal Bank of Canada in Chicago and Dallas between 1988 and early 1993.

Mr. Kimball graduated with high honors from the University of Texas at Austin with a Bachelor of Arts degree in Government. He also received his Master of Business Administration degree with a concentration in Finance from the University of Texas at Austin. He is a registered Investment Advisor Representative with the Texas State Securities Board.

Dan Wegmiller, Vice-President and Chief Operating Officer

Mr. Wegmiller has served as a financial advisor since 1992. He has represented city, county, school district and transportation clients. Mr. Wegmiller has experience with taxable and tax-exempt financings including debt restructurings, short-term financings, utility systems, general obligations, project finance, economic development and transportation projects. Mr. Wegmiller has served as lead banker on more than 300 transactions totaling over \$4.0 billion in par amount of bonds, including the Central Texas Regional Mobility Authority transaction that was recognized by The Bond Buyer as the 2005 "Deal of the Year" in the Southwest Region for its innovative structure. He has also been involved in numerous legislative efforts to provide additional financing tools and options for municipalities.

Mr. Wegmiller is one of the founding partners of Specialized Public Finance Inc. Prior to the founding of SPFI; Mr. Wegmiller was a Senior Vice President with First Southwest Company in Austin, Texas for over sixteen years. During this time, Mr. Wegmiller also served as the Regulatory Supervisor for the Austin office. He was a financial analyst for the Municipal Advisory Council of Texas prior to joining First Southwest Company. His duties at the Council included municipal bond credit analysis for all types of political subdivisions.

Mr. Wegmiller earned a Bachelor of Business Administration in Finance from the University of Texas at Austin. He is a registered Investment Advisor Representative with the Texas State Securities Board.

Jeffrey D. Garland, Director and Chief Financial Officer

Mr. Garland is the senior quantitative professional at Specialized Public Finance Inc. In this role, he is responsible for developing comprehensive financial models to analyze, structure and price transactions for the firm's clients. Mr. Garland has extensive experience modeling multiyear capital improvement programs, preparing refunding/restructuring analyses and analyzing debt capacity for financings secured by almost every type of revenue stream. His clients include cities, counties, school districts, special districts and toll road authorities. Since joining the public finance industry in 1996, Mr. Garland has structured over 1,000 transactions with a total par amount in excess of \$17 billion.

Prior to joining Specialized Public Finance Inc., Mr. Garland was a Vice President with First Southwest Company in Austin and Dallas, Texas. Mr. Garland spent twelve years with First Southwest Company where he served as the firm's senior quantitative banker on financial advisory and underwriting engagements in Central and South Texas.

Mr. Garland graduated with Highest Honors from the University of Texas at Austin with a Bachelor of Business Administration degree in Finance. He is a registered Investment Advisor Representative with the Texas State Securities Board.

Jennifer Ritter Douglas, Secretary and Managing Director

Ms. Douglas has served as a financial advisor to local governments, including hospitals and universities, since 2001. In 2008, she was one of the founding partners of Specialized Public Finance. Prior to that, she was with First Southwest Company. She has worked with a variety of government entities on tax-backed projects, water/sewer revenue projects, economic development initiatives and public/private partnerships, including Tax Increment Reinvestment Zones (TIRZ), 380/381 Economic Grants and Public Improvement Districts (PIDs). She also assists local governments in planning for bond elections.

Prior to her work as a financial advisor, she was a Policy Analyst for Debt and Financial Planning for the Government Finance Officers Association ("GFOA") in Chicago. At GFOA, Ms. Douglas conducted debt trainings for government officials and authored "Conducting a Debt Affordability Study" and "An Elected Officials Guide to Rating Agency Presentations." She served as a liaison for the association with other municipal bond industry groups and regulatory authorities and still is a frequent speaker for GFOA's national training courses. In 2012, she joined the GFOA's Committee on Governmental Debt Management for a three-year term as an advisor. Ms. Douglas worked at the White House from 1995 to 1996.

She earned a Master of Public Affairs from Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin and a Bachelor of Arts in English from Southern Methodist University. Ms. Douglas is a registered Investment Advisor Representative with the Texas State Securities Board.

None of the management persons of SPFI has been the subject of a fine or found liable in an arbitration claim involving damages in excess of \$2,500 (or any civil, self-regulatory organization or administrative proceeding) related to any investment-related business or activity, any fraud or false statement or omission, theft, embezzlement or wrongful taking of property, bribery, forgery, counterfeiting, extortion, dishonest, unfair or unethical practice.