

Appeal Number OPA-PA-09-007
Guam Education Financing Foundation
Admissions of Fact
For Hearing on December 7, 2009

COPY

1. In its response to the JFK RFP, GEF proposed to construct a new JFK high school that would be 236,000 square feet. GEF would provide 100% of the financing by selling \$58,830,000 of Certificates of Participation. The \$58,830,000 includes all project costs including costs of financing and reserves for capitalized interest, debt service and insurance and maintenance.
2. In its response to the JFK RFP, GEF proposed to insure and maintain the new JFK for \$570,000 per year.
3. \$58,830,000 is \$10,200,000 less than \$69,030,000.
4. \$570,000 is \$1,230,000 less than \$1,800,000.
5. Guam Department of Education has a critical shortage of funds.
6. GEF is the only organization that has successfully completed a Municipal Lease transaction on Guam. On October 4, 2006 we raised \$64,895,000 for the construction of four new schools and on November 3, 2008 we raised \$7,520,000 for collateral equipment for those schools.
7. GEF currently insures and maintains Liguana Elementary, Adacao Elementary, Astumbo Middle School and Okkodo High School.
8. Underwriters Piper Jaffray & Co. and GEDA circulated an Official Statement dated July 29, 2009 for the purpose of offering for sale \$69,030,000 of Series 2009A Certificates of Participation (John F. Kennedy High School Project).
9. Securities Act Release No. 26100 (September 22, 1988) and Securities Act Release No. 26985 (June 28, 1989) and Rule 15c2-12 require that Issuers of Municipal Securities must issue an Official Statement which meets antifraud provisions that prohibit any person including municipal issuers and brokers from making false or misleading statements or omitting any material facts.
10. Out of a possible 700 points, the JFK selection committee awarded IBC 628 points and GEF 621 points.

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