frequently by a telephone call or a letter. Fees may be agreed upon at the time of employment in connection usually with general obligation bonds sold through public bidding. As to certain bond issues that are to be purchased through negotiations, the question of fees may not be discussed until shortly before the actual purchase of the bonds by the underwriters.

(C) QUALIFICATIONS AND STANDARDS OF PERFORMANCE

The principal qualification of bond counsel is an established reputation in the municipal bond market. This is gained through high standards of performance in the approval of many bond issues over a span of years. Integrity, experience, a broad background in municipal bond law, familiarity with the needs of public agencies and the requirements of investors and underwriters, skill in drafting essential legal instruments, and an ability to perform his functions with imagination and at the same time with meticulous attention to detail, precision, and thoroughness—these are the attributes of a highly skilled specialist in the field of municipal bonds.

Bond counsel must determine whether a bond issue has been legally issued. The legality of the bond issue cannot be evaluated upon a basis of gradation. It is either legal or illegal. Unless bond counsel is fully satisfied that the bonds are legal, he will not render an approving opinion on such bonds.

Irrespective of who pays his legal fees, bond counsel bears the responsibility of protecting the interest of the ultimate purchaser of the bonds insofar as the legal aspects thereof are concerned. He actually functions as the lawyer for the ultimate purchaser of the bonds in the secondary market. Bond counsel recognizes that the purchaser of bonds is primarily concerned with the payment of the principal and interest on the bonds and that, accordingly, both the legality of the bond issue and the technical aspects thereof bearing upon the payment of principal and interest and the enforceability of the rights of the bondholders fall within bond counsel's functions.

In so filling his responsibility to the ultimate investor, bond counsel cannot, however, ignore safeguarding the rights and interest of the public agency issuing the bonds and those of the underwriters. The attainment of the objectives of the public agency and the marketing of the bonds by the underwriters with reasonable expectation of success cannot be subordinated. Bond counsel must balance equities among the various parties and seek to protect the proper interests of each party. Generally, there exists a compatibility of purpose among such parties.

2. Size and Structure of Industry

(A) NUMBER OF FIRMS

The latest 1966 Directory of Municipal Bond Dealers of the United States, as published semiannually by The Bond Buyer, contains an appendix listing a total of 128 firms which are reported to have performed bond attorney work in the preceding calendar year. It is specifically stated therein that the list has been compiled upon the basis of reports to The Bond Buyer to the effect that the bond attorneys listed have rendered at least one legal opinion in the preceding calendar year upon an issue of State or municipal securities.