

FEDERATED PREMIER MUNICIPAL INCOME FUND  
Form N-CSRS  
July 29, 2015  
**United States**

**Securities and Exchange Commission**

**Washington, D.C. 20549**

**Form N-CSR**

**Certified Shareholder Report of Registered Management Investment Companies**

811-21235

(Investment Company Act File Number)

Federated Premier Municipal Income Fund

---

**(Exact Name of Registrant as Specified in Charter)**

Federated Investors Funds

4000 Ericsson Drive

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Warrendale, PA 15086-7561

(Address of Principal Executive Offices)

(412) 288-1900

(Registrant's Telephone Number)

John W. McGonigle, Esquire

Federated Investors Tower

1001 Liberty Avenue

Pittsburgh, Pennsylvania 15222-3779

(Name and Address of Agent for Service)

(Notices should be sent to the Agent for Service)

Date of Fiscal Year End: 11/30/2015

Date of Reporting Period: Six months ended 05/31/15

**Item 1. Reports to Stockholders**

Semi-Annual Shareholder Report  
May 31, 2015  
Federated Premier Municipal Income Fund  
Federated Premier Intermediate Municipal Income Fund  
Funds Established 2002

---

---

Not FDIC Insured • May Lose Value • No Bank Guarantee

---

CONTENTS

<u>Portfolio of Investments Summary Table – Federated Premier Municipal Income Fund</u>	1
<u>Portfolio of Investments - Federated Premier Municipal Income Fund</u>	2
<u>Portfolio of Investments Summary Table – Federated Premier Intermediate Municipal Income Fund</u>	14
<u>Portfolio of Investments - Federated Premier Intermediate Municipal Income Fund</u>	15
<u>Financial Highlights</u>	27
<u>Statements of Assets and Liabilities</u>	31
<u>Statements of Operations</u>	32
<u>Statements of Changes in Net Assets</u>	33
<u>Statements of Cash Flows</u>	34
<u>Notes to Financial Statements</u>	35
<u>Evaluation and Approval of Advisory Contract</u>	45
<u>Voting Proxies on Fund Portfolio Securities</u>	51
<u>Quarterly Portfolio Schedule</u>	51
<u>Source of Distributions–Notice</u>	51

---

Table of Contents

Portfolio of Investments Summary Table (unaudited)–  
Federated Premier Municipal Income Fund

At May 31, 2015, the Fund's sector composition<sup>1</sup> was as follows:

Sector Composition	Percentage of Total Investments
Hospital	13.5%
Dedicated Tax	9.2%
Toll Road	8.5%
Airport	8.4%
Education	6.2%
Refunded	6.2%
Tobacco	5.3%
Industrial Development Bond/Pollution Control Revenue	5.3%
Other Utility	4.9%
Senior Care	4.6%
Other <sup>2</sup>	27.9%
<b>TOTAL</b>	<b>100.0%</b>

Sector classifications, and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's Adviser. For securities that have been enhanced by a third-party guarantor, such as bond insurers and banks, sector classifications are based upon the economic sector and/or revenue source of the underlying obligor, as determined by the Fund's Adviser. Refunded securities are those whose debt service is paid from escrowed assets, usually U.S. government securities.

<sup>2</sup> For purposes of this table, sector classifications constitute 72.1% of the Fund's investments. Remaining sectors have been aggregated under the designation "Other."

Semi-Annual Shareholder Report

1

---

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Table of Contents

Portfolio of Investments - Federated Premier Municipal Income Fund

May 31, 2015 (unaudited)

Principal Amount		Value
	MUNICIPAL BONDS—98.5%	
	Alabama—2.0%	
\$ 1,145,000	Alabama State Port Authority, Docks Facilities Revenue Bonds (Series 2010), 6.00% (Original Issue Yield: 6.25%), 10/1/2040	\$1,328,086
415,000	Selma, AL IDB, Gulf Opportunity Zone Bonds (Series 2010A), 5.80% (International Paper Co.), 5/1/2034	476,183
1,000,000	Selma, AL IDB, Revenue Bonds (Series 2011A), 5.375% (International Paper Co.), 12/1/2035	1,127,080
	TOTAL	2,931,349
	Arizona—0.9%	
1,000,000	<sup>1,2</sup> Phoenix, AZ IDA, Education Facility Revenue Bonds (Series 2014A), 5.00% (Great Heart Academies), 7/1/2034	1,048,330
320,000	<sup>1,2</sup> Verrado Community Facilities District No. 1, AZ, District GO Refunding Bonds (Series 2013A), 6.00%, 7/15/2027	351,898
	TOTAL	1,400,228
	California—9.6%	
300,000	<sup>1,2</sup> California School Finance Authority, School Facility Revenue Bonds (Series 2014A), 5.00% (KIPP LA), 7/1/2034	316,113
250,000	<sup>1,2</sup> California School Finance Authority, School Facility Revenue Bonds (Series 2014A), 5.125% (KIPP LA), 7/1/2044	261,730
1,000,000	California State, Various Purpose UT GO Bonds, 5.00%, 9/1/2030	1,132,140
375,000	<sup>1,2</sup> California Statewide CDA, Revenue Refunding Bonds (Series 2014A), 5.25% (899 Charleston LLC), 11/1/2044	380,692
1,140,000	Chula Vista, CA Municipal Finance Authority, Special Tax Revenue Refunding Bonds (Series 2013), 5.50%, 9/1/2028	1,315,720
1,000,000	Foothill/Eastern Transportation Corridor Agency, CA, Toll Road Refunding Revenue Bonds (Series 2013A), 5.75% (Original Issue Yield: 6.05%), 1/15/2046	1,155,790
1,000,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Asset-Backed Revenue Bonds (Series 2007A-1), 4.50%, 6/1/2027	968,430
110,000	Irvine, CA Reassessment District No. 13-1, LO Improvement Bonds, 5.00%, 9/2/2021	128,233
2,500,000	M-S-R Energy Authority, CA, Gas Revenue Bonds (Series 2009A), 7.00% (Citigroup, Inc. GTD), 11/1/2034	3,374,600
2,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Bonds (Series 2009E), 5.50%, 5/1/2025	2,310,620
1,000,000	San Jose, CA Airport, Airport Revenue Bonds (Series 2011A-2), 5.00% (Original Issue Yield: 5.05%), 3/1/2031	1,098,300

Semi-Annual Shareholder Report

Table of Contents

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	California—continued	
\$1,500,000	University of California (The Regents of), Limited Project Revenue Bonds (Series 2012G), 5.00%, 5/15/2031	\$1,713,495
	TOTAL	14,155,863
	Colorado—3.5%	
500,000	<sup>1,2</sup> Colorado Educational & Cultural Facilities Authority, Charter School Refunding & Improvement Revenue Bonds (Series 2015), 5.00% (University Lab School), 12/15/2035	506,945
1,250,000	Colorado Health Facilities Authority, Revenue Bonds (Series 2013A), 5.00% (Sisters of Charity of Leavenworth Health System), 1/1/2044	1,377,300
230,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COPs (Series 2008), 5.50% (United States Treasury PRF 11/1/2018@100/Original Issue Yield: 5.60%), 11/1/2027	263,361
1,480,000	Public Authority for Colorado Energy, Natural Gas Purchase Revenue Bonds (Series 2008), 6.25% (Bank of America Corp. GTD)/(Original Issue Yield: 6.63%), 11/15/2028	1,838,012
1,000,000	University of Colorado, Tax-Exempt University Enterprise Revenue Bonds (Series 2013A), 5.00%, 6/1/2037	1,124,730
	TOTAL	5,110,348
	Delaware—0.5%	
715,000	Delaware EDA, Gas Facilities Refunding Bonds, 5.40% (Delmarva Power and Light Co.), 2/1/2031	793,936
	District of Columbia—2.3%	
2,500,000	District of Columbia Tobacco Settlement Financing Corp., Asset Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.67%), 5/15/2033	3,132,775
225,000	District of Columbia, Revenue Bonds (Series 2013A), 6.00% (KIPP DC), 7/1/2048	258,847
	TOTAL	3,391,622
	Florida—5.2%	
1,080,000	Harbor Bay, FL Community Development District, Special Assessment Revenue Bonds, 6.75%, 5/1/2034	1,083,975
1,000,000	Jacksonville, FL Sales Tax, Refunding Revenue Bonds (Series 2012), 5.00%, 10/1/2030	1,130,830
750,000	Jacksonville, FL Sales Tax, Refunding Revenue Bonds (Series 2012A), 5.00%, 10/1/2029	851,295
1,000,000	Miami-Dade County, FL Transit System, Sales Surtax Revenue Bonds (Series 2012), 5.00%, 7/1/2042	1,096,710
1,000,000	Miami-Dade County, FL Water & Sewer , Water & Sewer System Revenue Refunding Bonds (Series 2015), 5.00%, 10/1/2023	1,185,650
165,000	Palm Beach County, FL Health Facilities Authority, Revenue Bonds (Series 2014A), 7.25% (Sinai Residences of Boca Raton), 6/1/2034	188,207
	Semi-Annual Shareholder Report	

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Table of Contents

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Florida—continued	
\$1,000,000	South Lake County, FL Hospital District, Revenue Bonds (Series 2009A), 6.00% (South Lake Hospital, Inc.)/(Original Issue Yield: 6.05%), 4/1/2029	\$1,101,860
200,000	Tolomato Community Development District, FL, Special Assessment Refunding Revenue Bonds (Series A-1), 6.65%, 5/1/2040	203,096
10,000	<sup>3,4</sup> Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 1), 6.65%, 5/1/2040	10,217
285,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2015-1), 0.00% (Step Coupon 5/1/2022 @ 6.61%) (Original Issue Yield: 6.93%), 5/1/2040	175,648
180,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2015-2), 0.00% (Step Coupon 5/1/2025 @ 6.61%) (Original Issue Yield: 6.752%), 5/1/2040	93,823
195,000	<sup>3,4</sup> Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2015-3), 6.61%, 5/1/2040	2
160,000	<sup>3,4</sup> Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 3), 6.65%, 5/1/2040	2
55,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series A-2) 0.00% (Step Coupon 5/1/2017 @ 6.61%), 5/1/2039	40,342
130,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series A-3) 0.00% (Step Coupon 5/1/2019 @ 6.61%), 5/1/2040	77,713
65,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series A-4) 0.00% (Step Coupon 5/1/2022 @ 6.61%), 5/1/2040	28,768
440,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.65%, 5/1/2037	445,179
	TOTAL	7,713,317
	Georgia—2.7%	
1,000,000	Atlanta, GA Airport General Revenue, Airport General Revenue Refunding Bonds (Series 2010C), 6.00%, 1/1/2030	1,202,290
1,500,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.00% (United States Treasury PRF 11/1/2019@100)/(Original Issue Yield: 6.14%), 11/1/2024	1,795,770
1,000,000	Atlanta, GA, Tax Allocation Bonds (Series 2005B), 5.60% (Eastside Tax Allocation District)/(Original Issue Yield: 5.65%), 1/1/2030	1,003,840
	TOTAL	4,001,900
	Guam—0.3%	
375,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.625% (Original Issue Yield: 5.875%), 12/1/2029	415,695

Semi-Annual Shareholder Report



Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Table of Contents

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Hawaii—0.6%	
\$750,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series 2009), 6.50% (Hawaiian Electric Co., Inc.), 7/1/2039	\$861,487
	Idaho—0.6%	
875,000	Idaho Health Facilities Authority, Revenue Bonds (Series 2013A), 7.375% (Terraces of Boise)/(Original Issue Yield: 7.50%), 10/1/2029	934,806
	Illinois—7.2%	
800,000	Antioch Village, IL Special Service Area No. 1, Special Tax Revenue Bonds, 6.625% (Deercrest Project), 3/1/2033	721,664
1,400,000	Chicago, IL Midway Airport, Second Lien Revenue Refunding Bonds (Series 2014B), 5.00%, 1/1/2035	1,537,144
625,000	Chicago, IL O'Hare International Airport, General Airport Third Lien Revenue Bonds (Series 2011C), 6.50%, 1/1/2041	752,456
1,000,000	Chicago, IL Special Assessment, Improvement Revenue Bonds, 6.75% (Lakeshore East Project)/(Original Issue Yield: 6.769%), 12/1/2032	1,004,240
335,000	Chicago, IL, Refunding UT GO Bonds (Series 2007G), 5.50% (Original Issue Yield: 5.84%), 1/1/2042	331,747
695,000	Chicago, IL, UT GO Bonds (Project Series 2011A), 5.25%, 1/1/2035	681,635
420,000	DuPage County, IL, Special Tax Bonds (Series 2006), 5.625% (Naperville Campus LLC), 3/1/2036	422,138
625,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place)/(Original Issue Yield: 6.04%), 5/15/2037	625,269
1,250,000	Illinois State Toll Highway Authority, Toll Highway Senior Refunding Revenue Bonds (Series 2010 A-1), 5.00%, 1/1/2031	1,392,125
1,000,000	Illinois State, UT GO Bonds (Series June 2013), 5.50% (Original Issue Yield: 5.65%), 7/1/2038	1,062,950
1,000,000	Illinois State, UT GO Refunding Bonds (Series May 2012), 5.00%, 8/1/2025	1,055,230
1,000,000	Metropolitan Pier & Exposition Authority, IL, McCormick Place Expansion Project Bonds (Series 2010A), 5.50%, 6/15/2050	1,061,790
	TOTAL	10,648,388
	Indiana—4.3%	
1,930,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.25% (Baptist Homes of Indiana)/(United States Treasury PRF 11/15/2015@100), 11/15/2035	1,973,522
500,000	Indiana Municipal Power Agency, Power Supply System Revenue Bonds (Series 2013A), 5.25%, 1/1/2038	567,190
655,000	Indiana State Finance Authority Midwestern Relief, Midwestern Disaster Relief Revenue Bonds (Series 2012A), 5.00% (Ohio Valley Electric Corp.), 6/1/2032	700,660
1,500,000	Indiana State Finance Authority Wastewater Utilities, First Lien Wastewater Utility Revenue Bonds (Series 2011A), 5.25% (CWA Authority), 10/1/2031	1,721,295

Semi-Annual Shareholder Report

Table of Contents

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Indiana—continued	
\$1,200,000	Whiting, IN Environmental Facilities, Revenue Bonds (Series 2009), 5.25% (BP PLC), 1/1/2021	\$1,385,316
	TOTAL	6,347,983
	Iowa—0.5%	
700,000	Iowa Finance Authority, Midwestern Disaster Area Revenue Bonds (Series 2013), 5.50% (Iowa Fertilizer Co.), 12/1/2022	745,479
	Kansas—1.5%	
2,000,000	Wyandotte County, KS Unified Government Utility System, Improvement & Refunding Revenue Bonds (Series 2014-A), 5.00%, 9/1/2044	2,202,080
	Kentucky—0.8%	
1,000,000	Kentucky Public Transportation Infrastructure Authority, First Tier Toll Revenue Bonds (Series 2013), 5.75% (Original Issue Yield: 5.95%), 7/1/2049	1,124,480
	Louisiana—0.2%	
235,000	St. Charles Parish, LA Gulf Opportunity Zone, Revenue Bonds (Series 2010), 4.00% (Valero Energy Corp.), Mandatory Tender 6/1/2022	256,230
	Maine—0.5%	
600,000	Maine Health & Higher Educational Facilities Authority, Revenue Bonds (Series 2011), 6.75% (MaineGeneral Medical Center)/(Original Issue Yield: 7.00%), 7/1/2041	683,496
	Maryland—0.8%	
175,000	Maryland State EDC, Port Facilities Refunding Revenue Bonds (Series 2010), 5.75% (CONSOL Energy, Inc.), 9/1/2025	193,653
690,000	Maryland State EDC, Revenue Bonds (Series B), 5.75% (Ports America Chesapeake, Inc.)/(Original Issue Yield: 5.875%), 6/1/2035	740,888
200,000	Westminster, MD, Revenue Bonds (Series 2014A), 6.00% (Lutheran Village at Miller's Grant, Inc.), 7/1/2034	212,952
	TOTAL	1,147,493
	Massachusetts—0.4%	
500,000	Massachusetts State Development Finance Agency, Revenue Bonds (Series 2012), 5.00% (Northeastern University), 10/1/2029	561,910
	Michigan—5.5%	
1,750,000	Michigan State Finance Authority Revenue, Local Government Loan Program Revenue Bonds (Series 2014B), 5.00% (Public Lighting Authority), 7/1/2039	1,864,345
600,000	Michigan State Finance Authority Revenue, Senior Lien Revenue Bonds (Series 2014 D-1), 5.00% (Detroit, MI Water Supply System)/(AGM INS), 7/1/2037	651,516
1,000,000	Michigan State Hospital Finance Authority, Refunding Revenue Bonds, 5.75% (Henry Ford Health System, MI)/(Original Issue Yield: 6.00%), 11/15/2039	1,118,000

Semi-Annual Shareholder Report

6

Table of Contents

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Michigan—continued	
\$1,000,000	Michigan Tobacco Settlement Finance Authority, Tobacco Settlement Asset-Backed Bonds (Series 2008A), 6.875% (Original Issue Yield: 7.10%), 6/1/2042	\$984,920
1,705,000	Royal Oak, MI Hospital Finance Authority, Refunding Revenue Bonds (Series 2014D), 5.00% (Beaumont Health Credit Group), 9/1/2033	1,833,711
1,490,000	Wayne County, MI Airport Authority, Revenue Bonds (Series 2012A), 5.00%, 12/1/2037	1,611,867
	TOTAL	8,064,359
	Minnesota—1.0%	
1,000,000	Baytown Township, MN, Lease Revenue Bonds (Series 2008A), 7.00% (St. Croix Preparatory Academy)/(Original Issue Yield: 7.05%), 8/1/2038	1,042,330
400,000	Western Minnesota Municipal Power Agency, MN, Power Supply Revenue Bonds (Series 2014A), 5.00%, 1/1/2040	450,168
	TOTAL	1,492,498
	Mississippi—0.2%	
315,000	Warren County, MS Gulf Opportunity Zone, Gulf Opportunity Zone Bonds (Series 2011A), 5.375% (International Paper Co.), 12/1/2035	353,966
	Nebraska—2.2%	
2,000,000	Central Plains Energy Project, NE, Gas Project Revenue Bonds (Project No. 3) (Series 2012), 5.00% (Goldman Sachs Group, Inc. GTD)/(Original Issue Yield: 5.05%), 9/1/2042	2,140,360
1,000,000	Nebraska Public Power District, General Revenue Bonds (Series 20014A), 5.00%, 1/1/2039	1,101,770
	TOTAL	3,242,130
	Nevada—0.7%	
1,000,000	Clark County, NV Airport System, Subordinate Lien Revenue Refunding Bonds (Series 2014A-2), 5.00%, 7/1/2035	1,111,770
	New Jersey—4.4%	
2,500,000	New Jersey EDA, School Facilities Construction Refunding Bonds (Series 2014PP), 5.00% (New Jersey State), 6/15/2031	2,575,125
600,000	New Jersey State Transportation Trust Fund Authority, Transportation System Bonds (Series 2011A), 6.00% (New Jersey State), 6/15/2035	709,368
2,000,000	New Jersey Turnpike Authority, Turnpike Revenue Bonds (Series 2014A), 5.00%, 1/1/2034	2,245,020
1,000,000	Tobacco Settlement Financing Corp., NJ, Tobacco Settlement Asset-Backed Bonds (Series 2007-1), 4.625% (Original Issue Yield: 4.85%), 6/1/2026	963,630
	TOTAL	6,493,143
	New Mexico—1.2%	
1,000,000	Farmington, NM, PCR Revenue Refunding Bonds (Series 2010E), 5.90% (Public Service Co., NM), 6/1/2040	1,107,870

Semi-Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Table of Contents

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	New Mexico—continued	
\$750,000	1,2 Jicarilla, NM Apache Nation, Revenue Bonds, 5.50%, 9/1/2023	\$747,277
	TOTAL	1,855,147
	New York—8.2%	
1,000,000	Brooklyn Arena Local Development Corporation, NY, Pilot Revenue Bonds (Series 2009), 6.375% (Original Issue Yield: 6.476%), 7/15/2043	1,169,080
1,000,000	Erie County, NY IDA, School Facility Refunding Revenue Bonds (Series 2011B), 5.00% (Buffalo, NY City School District), 5/1/2020	1,159,130
1,000,000	Hudson Yards Infrastructure Corp. NY, Hudson Yards Senior Revenue Bonds (Series 2012A), 5.75%, 2/15/2047	1,141,540
1,000,000	New York City, NY Municipal Water Finance Authority, Water and Sewer System Revenue Bonds (Series 2008DD), 5.50% (Original Issue Yield: 5.57%), 6/15/2026	1,133,190
900,000	New York City, NY TFA, Future Tax Secured Subordinate Revenue Bonds (Series 2014A-1), 5.00%, 8/1/2036	1,017,918
1,000,000	New York City, NY, UT GO Bonds (Fiscal 2014 Subseries D-1), 5.00%, 8/1/2030	1,144,740
2,000,000	New York Liberty Development Corporation, Liberty Revenue Bonds (Series 2011), 5.75% (4 World Trade Center), 11/15/2051	2,306,880
1,000,000	1,2 New York Liberty Development Corporation, Revenue Bonds (Series 2014 Class 1), 5.00% (3 World Trade Center), 11/15/2044	1,020,380
1,030,000	New York Liberty Development Corporation, Revenue Refunding Bonds (Series 2012 Class 2), 5.00% (7 World Trade Center LLC), 9/15/2043	1,133,772
750,000	New York State Thruway Authority, General Revenue Bonds (Series 2012I), 5.00% (New York State Thruway Authority - General Revenue), 1/1/2037	834,788
	TOTAL	12,061,418
	North Carolina—2.0%	
2,385,000	Charlotte-Mecklenburg Hospital Authority, NC, Health Care Revenue & Refunding Revenue Bonds (Series 2012A), 5.00% (Carolinas HealthCare System), 1/15/2043	2,596,358
375,000	North Carolina Medical Care Commission, Health Care Facilities First Mortgage Revenue Refunding Bonds (Series 2015), 5.00% (Pennybyrn at Maryfield), 10/1/2035	388,279
	TOTAL	2,984,637
	Ohio—6.4%	
500,000	American Municipal Power-Ohio, Inc., Refunding Revenue Bonds (Series 2015A), 5.00% (American Municipal Power, Prairie State Energy Campus Project), 2/15/2042	549,955
1,500,000	Buckeye Tobacco Settlement Financing Authority, OH, Tobacco Settlement Asset-Backed Bonds (Series A-2), 6.50%, 6/1/2047	1,307,625
1,000,000	Cleveland, OH Airport System, Revenue Bonds (Series 2012A), 5.00%, 1/1/2028	1,101,770

Semi-Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Table of Contents

Principal Amount		Value
	MUNICIPAL BONDS—continued	
	Ohio—continued	
\$1,000,000	Lorain County, OH Port Authority, Recovery Zone Facility Revenue Bonds (Series 2010), 6.75% (United States Steel Corp.), 12/1/2040	\$1,103,270
945,000	Lucas County, OH, Revenue Bonds (Series 2011A), 6.00% (ProMedica Healthcare Obligated Group)/(Original Issue Yield: 6.22%), 11/15/2041	1,132,469
745,000	Muskingum County, OH, Hospital Facilities Revenue Bonds (Series 2013), 5.00% (Genesis Healthcare Corp.), 2/15/2027	788,903
1,090,000	Ohio State Air Quality Development Authority, Revenue Bonds (Series 2009A), 5.70% (FirstEnergy Solutions Corp.), 8/1/2020	1,249,085
800,000	Ohio State Turnpike & Infrastructure Commission, Turnpike Junior Lien Revenue Bonds (Series 2013A-1), 5.25%, 2/15/2030	920,088
450,000	Ohio State University, Revenue Bonds (Series 2008A), 5.00%, 12/1/2026	504,081
750,000	University of Cincinnati, OH, General Receipts Bonds (Series 2013C), 5.00%, 6/1/2039	835,643
	TOTAL	9,492,889
	Oregon—0.3%	
500,000	<sup>1,2</sup> Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	509,100
	Pennsylvania—4.5%	
1,000,000	Allentown, PA Neighborhood Improvement Zone Development Authority, Tax Revenue Bonds (Series 2012A), 5.00%, 5/1/2042	1,042,100
450,000	Cumberland County, PA Municipal Authority, Revenue Bonds (Series 2015), 5.00% (Diakon Lutheran Social Ministries), 1/1/2038	475,974
1,500,000	Northampton County, PA General Purpose Authority, Hospital Revenue Bonds (Series 2008A), 5.50% (St. Luke's Hospital of Bethlehem)/(Original Issue Yield: 5.60%), 8/15/2035	1,649,655
1,000,000	Pennsylvania State Turnpike Commission, Turnpike Subordinate Revenue Bonds (Series 2009D), 5.50%, 12/1/2041	1,129,620
555,000	Philadelphia, PA Hospitals & Higher Education Facilities Authority, Hospital Revenue Bonds (Series 2012A), 5.625% (Temple University Health System Obligated Group)/(Original Issue Yield: 5.875%), 7/1/2042	589,055
1,630,000	Philadelphia, PA Water & Wastewater System, Water and Wastewater Revenue Bonds (Series 2009A), 5.00% (Original Issue Yield: 5.13%), 1/1/2027	1,803,285
	TOTAL	6,689,689
	Puerto Rico—0.7%	
1,200,000	Commonwealth of Puerto Rico, GO Bonds (Series 2014A), 8.00% (Original Issue Yield: 8.727%), 7/1/2035	1,009,476
	Tennessee—4.8%	
1,750,000	Johnson City, TN Health & Education Facilities Board, Hospital Revenue Bonds (Series 2010), 6.00% (Mountain States Health Alliance)/(Original Issue Yield: 6.07%), 7/1/2038	1,974,857

Semi-Annual Shareholder Report

Table of Contents

Principal  
Amount

Value

MUNICIPAL BONDS—continued  
Tennessee—continued

Death						
Compensation:						
Base Salary(1)	\$		\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 500,000
Bonus			200,000	200,000	133,333	133,333
Benefits & Perquisites:						
Stock Awards						
Health and Welfare Benefits(2)			27,000	27,000		
Excise Tax and Gross-Up						
Accrued Vacation Pay(3)						
Total	\$		\$ 1,227,000	\$ 1,227,000	\$ 633,333	\$ 633,333

- (1) Assumes termination as of April 30, 2009 and all salary due and payable, and all matching contributions pursuant to our 401(k) plan to that date have been paid.
- (2) Average monthly cost is \$1,125, with approximately 24 months remaining under the term of the employment agreement.
- (3) Mr. Lee has no accrued vacation pay.

Payments of separation benefits may be delayed if (i) Mr. Lee is a specified employee within the meaning of Section 409A of the Code ( Section 409A ) as of the date of his separation from service and (ii) the amount of any separation benefits payable to him are subject to Section 409A. In such instance, the separation benefits will not be paid to Mr. Lee until six months after the date of separation from service (or, if earlier, the date of his death). Any delayed payment will be paid in a single lump sum in cash on the first day of the seventh month following Mr. Lee s separation from service (or, if earlier, upon his death).

*Mr. Austin s Compensation Arrangement*

If, during the first three years of Mr. Austin s employment with us, either (i) his employment is terminated (in a manner that constitutes a separation from service under Section 409A) by us other than for cause or (ii) a change of control occurs, and upon such change of control or within six months thereafter, his employment with us is terminated (in a manner that constitutes a separation from service under Section 409A) either (y) by us other than for cause, or (z) by him for good reason, then we must pay to Mr. Austin as a severance benefit an amount equal to the sum of:

his then current base salary; plus

a bonus payment equal to the average of his three then most recent annual cash bonuses.

In the event a termination event occurs before Mr. Austin has received his first annual cash bonus, the bonus payment will be deemed to be \$125,000.

The term change of control means any change in the composition of our board of directors such that the incumbent directors comprise less than one-half of the membership of our Board. The term incumbent directors means those persons currently serving as our directors, any person selected by the current directors to replace a director who dies, resigns or is removed as a director (and any such person shall thereafter be deemed to be a

current director), or any person nominated by the current directors, or whose nomination is supported by the current directors, and who thereafter is elected by the stockholders as a director (and any such person shall thereafter be deemed to be a current director).

The term "cause" means:

conviction of a felony;

an act or acts of dishonesty intended to result in personal enrichment at our expense; or

failure to follow a reasonable and lawful order from our chief executive officer or the Board, within the reasonable scope of his duties and responsibilities, which failure is not cured within ten (10) days after notice.

The term "good reason" means the termination by Mr. Austin of his employment within the period ending six (6) months following a change of control for any of the following events, unless he has consented in writing to such event:

a material diminution of his base annual salary;

his assignment of any duties materially inconsistent with his position as chief financial officer (including status, offices, titles, and reporting requirements), or any material diminution of his authority, duties, or responsibilities, other than an isolated, insubstantial, or inadvertent action not taken in bad faith and which we remedy promptly after receipt of notice from Mr. Austin; or

any required relocation of his principal office to a location more than fifty (50) miles from Tulsa, Oklahoma.

The following table shows the potential payments upon termination of Mr. Austin's employment with us as provided in his compensation arrangement:

<b>Executive Benefits and Payments Upon Separation</b>	<b>Change of Control Event</b>	<b>Involuntary Not For Cause Termination</b>
Base Salary(1)	\$ 250,000	\$ 250,000
Bonus	125,000	125,000
Accruals(2)	9,659	9,659
Total	\$ 384,659	\$ 384,659

(1) Assumes termination as of April 30, 2009 and all salary due and payable, and all matching contributions pursuant to our 401(k) plan have been paid.

(2) Accrued vacation balance payable as of April 30, 2009.

Mr. Austin's employment arrangement contemplated the adoption of the 2009 CIC Plan, and includes specific provisions that address potential differences in the payment of change of control separation benefits. If circumstances under which the change of control separation benefit payable to Mr. Austin in the 2009 CIC Plan are substantially similar to the circumstances specified under his employment agreement, then the provisions of the 2009 CIC Plan will control. If, however, events subsequently occur that would have entitled Mr. Austin to the payment of change of control separation benefits under his employment agreement that are greater than those payable under the 2009 CIC Plan, we must make a cash payment to Mr. Austin equal to the increase in benefits payable. Assuming a termination as of April 30, 2009, the severance benefit payable to Mr. Austin under the 2009 CIC Plan would be greater than the benefit payable under his employment agreement.

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Any payments of separation benefits may be delayed to ensure compliance with Section 409A in the same manner as described above under Mr. Lee's employment agreement.



*Change in Control Separation Benefit Plan of RAM Energy Resources, Inc, and Participating Subsidiaries*

We adopted the 2009 CIC Plan to assure that we will have the continued dedication of each of our senior vice presidents and vice presidents ( Executives ), notwithstanding the possibility, threat, or occurrence of a change in control. Our Board believed it was important to diminish the inevitable distraction of these executives by virtue of the personal uncertainties and risks created by a pending or threatened change in control, and to encourage these executive s full attention and dedication to our affairs during the term of the 2009 CIC Plan and upon the occurrence of such event. Our Board also believed that we are best served by providing these executives with compensation arrangements upon a change in control which provide these executives with individual financial security and which are competitive with those of other corporations. The principal provisions of the 2009 CIC Plan are as follows.

*Reasons for Termination of Employment of an Executive*

*Termination Upon Death or Becoming Disabled.* An Executive s employment shall terminate immediately upon the Executive s death and we will have no further obligation under the 2009 CIC Plan to the deceased Executive or such Executive s legal representatives. If the Executive s employment is terminated due to the Executive becoming disabled, we will have no further obligation under the 2009 CIC Plan to the Executive or such Executive s legal representatives. The term disabled means, with respect to any Executive, that (i) such Executive has received disability payments under our long-term disability plan for a period of three months or more, or (ii) based upon the written report of a mutually agreeable qualified physician designated by us and the Executive or the Executive s representative, our Compensation Committee determines, in accordance with Section 409A, that the Executive has become physically or mentally incapable of performing the Executive s essential job functions with or without reasonable accommodation or job protection as required by law for a continuous period expected to last not less than twelve months.

*Termination by the Company; Cause.* We may terminate an Executive s employment at any time whether with or without cause. For purposes of the 2009 CIC Plan, cause means the termination of Executive s employment due to:

the failure of the Executive to perform in any material respect the Executive s prescribed duties to us (other than any such failure resulting from the Executive becoming disabled);

the commission by the Executive of a wrongful act that caused or was reasonably likely to cause damage to us;

an act of gross negligence, fraud, unfair competition, dishonesty or misrepresentation in the performance of the Executive s duties on our behalf;

the conviction of or the entry of a plea of nolo contendere by the Executive to any felony or the conviction of or the entry of a plea of nolo contendere to any offense involving dishonesty, breach of trust or moral turpitude; or

a breach of the Executive s fiduciary duty involving personal profit.

If we terminate the Executive s employment for cause within the year following a change in control (the Change in Control Period ), then such termination for cause shall not be effective for purposes of determining that the Executive is not entitled to payment of the separation benefit under the 2009 CIC Plan unless and until two-thirds of the Board adopt a resolution approving the termination of the Executive for cause, following notice and an opportunity to the Executive to be heard at a meeting called by the Board to discuss the Executive s employment.

For purposes of the 2009 CIC Plan, a change in control shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

at the close of business day next following the day on which we learn of the acquisition by any unaffiliated person of beneficial ownership, within the meaning of Rule 13d-3 promulgated under the Exchange Act, of 50% or more of the then outstanding shares of our common stock;



at any time the incumbent directors (defined below) shall cease for any reason to constitute a majority of our Board;

upon the consummation of a reorganization, merger or consolidation, or a sale or other disposition of all or substantially all of our assets, with certain limited exceptions where our stockholders continue to control the resulting entity (or the entity which purchases our assets) and the incumbent directors control the board of the resulting entity (or the entity which purchases our assets); or

approval by our stockholders of a plan of complete liquidation or dissolution.

The incumbent directors are the members of the Board on the date of adoption of the 2009 CIC Plan, together with any person who hereafter becomes our director and whose election or nomination for election was approved by a vote of at least a majority of the incumbent directors (including directors so appointed or elected by incumbent directors) then on the Board; provided, however, that no individual initially elected or nominated as our director as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board, including by reason of any agreement intended to avoid or settle any such election contest or solicitation of proxies or consents, shall be deemed an incumbent director.

*Termination by the Executive; Good Reason.* The Executive may terminate the Executive's employment at any time whether with or without good reason. The term "good reason" means the termination by the Executive of the Executive's employment during the Change in Control Period for any of the following events, unless the Executive has consented in writing to such event:

any material diminution in the Executive's annual base salary;

the assignment to the Executive of any duties materially inconsistent with the Executive's position (including status, offices, titles, and reporting requirements), authority, duties, or responsibilities, other than an isolated, insubstantial, or inadvertent action not taken in bad faith and which we remedy promptly after receipt of notice from the Executive;

any failure by us to require any successor or assignee to assume the obligations under the 2009 CIC Plan; or

any relocation of the Executive's principal office to a location more than fifty (50) miles from the Executive's principal office prior to such relocation.

No termination of employment for good reason shall be effective for purposes of determining that the Executive is entitled to payment of the separation benefits under the 2009 CIC Plan unless (i) following receipt of proper notice, we fail to either cure the offending cause or notify the Executive of our intended method of cure, and (ii) the Executive timely delivers a notice of termination.

*Termination Prior to a Change in Control.* If we terminate the Executive's employment other than for cause, the Executive's death or the Executive becoming disabled, and a change in control occurs within six (6) months following the date of termination, then for purposes determining eligibility for payment of the separation benefits under the 2009 CIC Plan, such change in control shall be deemed to have occurred immediately prior to the date of termination if either (i) the date of termination occurs following the execution of an agreement (including a letter of intent) that provides for a transaction that subsequently is consummated and constitutes such change in control, or (ii) the Executive reasonably demonstrates that such termination was effected in connection with, or in anticipation of, such change in control.

#### *Separation Benefits Upon Termination of the Executive under the 2009 CIC Plan*

*Accrued Obligations.* Upon any termination of the Executive's employment for any reason, we will pay the Executive any unpaid portion the Executive's annual base salary through the date of termination and any accrued, unused vacation through the date of termination (the "Accrued Obligations").

*Termination for Good Reason; Other Than for Cause, Death, or Becoming Disabled.* If during the Change in Control Period (i) we terminate the Executive's employment other than for cause, the Executive's death, or the Executive becoming disabled, or (ii) the Executive terminates the Executive's employment for good reason, then we will, in addition to the payment of the Accrued Obligations, pay the following separation benefits to the Executive:

If the Executive is a vice president, we will pay the Executive a lump sum in cash equal to one times the sum of the greater of (x) the Executive's annual base salary as of the date of termination, and (y) the Executive's annual base salary at any time during the one-year period before the change in control.

If the Executive is a senior vice president, we will pay the Executive a lump sum in cash equal to two times the sum of the greater of (x) the Executive's annual base salary as of the date of termination, and (y) the Executive's annual base salary at any time during the one-year period before the change in control.

We will also provide the Executive:

with limited exceptions and for the period allowed under Section 4980B of the Code (not less than 18 months), the same level of health and dental insurance benefits for the Executive (and the Executive's dependents, if applicable) upon substantially similar terms and conditions (including contributions required by the Executive for such benefits) as existed immediately before the date of termination; and

for a period of 18 months, the same level of life and disability insurance benefits for the Executive, upon substantially similar terms and conditions (including contributions required by the Executive for such benefits) as existed immediately before the date of termination.

*Cause; Other than for Good Reason.* If during the Change in Control Period the Executive's employment is terminated for cause, or by reason of death or disability, or the Executive terminates the Executive's employment without good reason, then the Executive shall have no further rights and we will have no further obligations to the Executive under the 2009 CIC Plan, other than for payment of the Accrued Obligations.

The following tables show the potential separation benefits to be paid upon termination of our named executive officers other than Messrs. Lee and Longmire, who are not eligible for separation benefits under the 2009 CIC Plan.

**G. Les Austin**

Executive Benefits and Payments Upon Separation	Termination For Cause, Death, Disability or Without Good Reason	Termination With Good Reason, or Other Than For Cause, Death or Disability
Base Salary(1)	\$	\$ 500,000
Health and Welfare Benefits(2)		20,250
Accruals(3)	9,659	9,659
Total	\$ 9,659	\$ 529,909

- (1) Assumes termination as of April 30, 2009 and all salary due and payable and all matching contributions pursuant to our 401(k) plan to that date have been paid.
- (2) Average monthly cost is \$1,125.
- (3) Accrued vacation balance payable as of April 30, 2009.



**Larry G. Rampey**

	<b>Termination For Cause, Death, Disability or Without Good Reason</b>	<b>Termination With Good Reason, or Other Than For Cause, Death or Disability</b>
<b>Executive Benefits and Payments Upon Separation</b>		
Base Salary(1)	\$	\$ 590,000
Health and Welfare Benefits(2)		20,250
Accruals(3)	116,156	116,156
<b>Total</b>	<b>\$ 116,156</b>	<b>\$ 726,406</b>

- (1) Assumes termination as of April 30, 2009 and all salary due and payable and all matching contributions pursuant to our 401(k) plan to that date have been paid.
- (2) Average monthly cost is \$1,125.
- (3) Accrued vacation balance payable as of April 30, 2009. This balance represents accrued exceptions to our policy of permitting a maximum of 240 hours of vacation time to be carried over to subsequent years. Exceptions were granted due to Mr. Rampey's inability to use vacation within a given year because of workload requirements. All exceptions to our carry-over policy were approved by our president and chief executive officer. No further exceptions will be authorized.

**Drake N. Smiley**

	<b>Termination For Cause, Death, Disability or Without Good Reason</b>	<b>Termination With Good Reason, or Other Than For Cause, Death or Disability</b>
<b>Executive Benefits and Payments Upon Separation</b>		
Base Salary(1)	\$	\$ 540,000
Health and Welfare Benefits(2)		20,250
Accruals(3)	107,740	107,740
<b>Total</b>	<b>\$ 107,740</b>	<b>\$ 667,990</b>

- (1) Assumes termination as of April 30, 2009 and all salary due and payable and all matching contributions pursuant to our 401(k) plan to that date have been paid.
- (2) Average monthly cost is \$1,125.
- (3) Accrued vacation balance payable as of April 30, 2009. This balance represents accrued exceptions to our policy of permitting a maximum of 240 hours of vacation time to be carried over to subsequent years. Exceptions were granted due to Mr. Smiley's inability to use vacation within a given year because of workload requirements. All exceptions to our carry-over policy were approved by our president and chief executive officer. No further exceptions will be authorized.

**Vicky L. Lindsey**

	<b>Termination For Cause, Death, Disability or Without Good Reason</b>	<b>Termination With Good Reason, or Other Than For Cause, Death or Disability</b>
<b>Executive Benefits and Payments Upon Separation</b>		
Base Salary(1)	\$	\$ 160,000

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

Health and Welfare Benefits(2)				20,250
Accruals(3)		17,846		17,846
Total		\$ 17,846	\$	198,096

- (1) Assumes termination as of April 30, 2009 and all salary due and payable and all matching contributions pursuant to our 401(k) plan to that date have been paid.
- (2) Average monthly cost is \$1,125.

- (3) Accrued vacation balance payable as of April 30, 2009. This balance represents accrued exceptions to our policy of permitting 180 hours of vacation time to be carried over to subsequent years. Exceptions were granted due to Ms. Lindsey's inability to use vacation in 2008 because of workload requirements. All exceptions to our carry-over policy were approved by our president and chief executive officer. Any payments of separation benefits may be delayed to ensure compliance with Section 409A in the same manner as described above under Mr. Lee's employment agreement.

### Director Compensation

Our Board of Directors determines all cash and non-cash compensation paid to our directors. We use a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on our Board of Directors. The Compensation Committee reviewed the Director Compensation Review prepared by Pearl Meyer & Partners that reflected that our independent directors are paid significantly less than directors of peer group companies, both in total cash compensation and in equity grants. The Compensation Committee noted that because each of our independent directors is a committee chair, and each member serves on each Board committee, the independent members of our Board of Directors have considerably more responsibility than the average director on a much larger board. The Committee also noted that because we have such a small Board in comparison with the peer group, our overall Board compensation burden is substantially less than the peer group. After consideration of these and other factors, effective for 2008 and future years, we intend to pay our independent directors at least the median compensation reflected in the Pearl Meyer report, as follows:

Cash compensation of the following:

an annual base retainer of \$35,000;

a meeting fee of \$1,000 per meeting attended for all in person and telephonic meetings of the Board and each Board Committee, subject to a \$15,000 per year cap on meeting fees;

an additional annual retainer of \$15,000 for the Chairman of the Audit Committee;

an additional annual retainer of \$7,500 for the Chairman of the Compensation Committee; and

an additional annual retainer of \$7,500 for the Chairman of the Nominating and Corporate Governance Committee; and

Annual long-term incentive grants in the form of restricted stock or other equity-based awards, to be determined on an annual basis. On May 8, 2008, we granted restricted stock awards of 15,000 shares to each of Messrs. Lane, Marshall and Reardon. The market price of the shares of our common stock on the date of grant was \$5.11 per share. All of the shares granted vest on May 8, 2009.

The table below summarizes the compensation paid by us to independent directors for the fiscal year ended December 31, 2008.

(a) Name	(b) Fees Earned or Paid in Cash (\$)	(c) Stock Awards \$(1)	(f) All Other Compensation \$(2)	(g) Total
Sean P. Lane	\$ 55,625	\$ 76,050	\$ 0	\$ 131,675
Gerald R. Marshall	\$ 62,500	\$ 76,050	\$ 0	\$ 138,550
John M. Reardon	\$ 55,625	\$ 76,050	\$ 0	\$ 131,675



Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

- (1) The amounts reflect the dollar amount recognized for financial reporting purposes for the fiscal year ended December 31, 2008 in accordance with FAS 123(R).
- (2) The value of perquisites did not exceed \$10,000.

### **2006 Long-Term Incentive Plan**

The purposes of our 2006 plan are to promote our growth and profitability, to provide our executives, directors and other employees, and persons who, by their position, ability and diligence are able to make important contributions to our growth and profitability, with an incentive to assist us in achieving our long-term corporate objectives, to attract and retain executives and other employees of outstanding competence, and to provide such persons with an opportunity to acquire an equity interest in us.

Under our 2006 plan, we may grant restricted stock, stock options, stock appreciation rights or other awards to any of our directors, officers or full-time employees or those of our subsidiaries, and to any independent contractors and consultants who by their position, ability and diligence are able to make important contributions to our future growth and profitability. Generally, all classes of our employees are eligible to participate in our 2006 plan.

Our 2006 plan currently provides that a maximum of 6,000,000 shares of our common stock may be issued in conjunction with awards granted under our 2006 plan. At April 1, 2009, 2,592,526 shares of our common stock remained available for awards to be granted under our 2006 plan. Awards that are forfeited under the 2006 plan will again be eligible for issuance as though the forfeited awards had never been issued. Similarly, awards settled in cash will not be counted against the shares authorized for issuance upon exercise of awards under the 2006 plan.

#### *Administration*

The Compensation Committee of our Board of Directors administers our 2006 plan. The members of our Compensation Committee serve at the pleasure of our Board of Directors. With respect to stock options or restricted stock awards to be made to any of our directors, the Compensation Committee will make recommendations to our Board of Directors as to:

which of such persons should be granted options or restricted stock;

the terms of proposed grants or awards of options or restricted stock to those selected by our Board of Directors to participate;

the exercise price for options; and

any limitations, restrictions and conditions upon any option grants or restricted stock awards.

Any award of restricted stock or grant of options to any of our directors under our 2006 plan must be approved by our Board of Directors, and such award cannot exceed 20,000 shares per annum.

In connection with the administration of our 2006 plan, the Compensation Committee, with respect to options and restricted stock and other awards to be made to any officer, employee or consultant who is not one of our directors, will:

determine which employees and other persons will be granted options or restricted stock under our 2006 plan;

grant the options or restricted stock awards to those selected to participate;

determine the exercise price for options; and

prescribe any limitations, restrictions and conditions upon any option grants or restricted stock awards.

In addition, our Compensation Committee will:

interpret our 2006 plan; and

make all other determinations and take all other actions that may be necessary or advisable to implement and administer our 2006 plan.

*Types of Awards*

Our 2006 plan permits the Compensation Committee to make several types of awards and grants, the principal types of which are awards of shares of restricted stock, the grant of options to purchase shares of our common stock, and awards of stock appreciation rights, or SARs.

*Restricted Stock.* Restricted shares of our common stock may be granted under our 2006 plan subject to such terms and conditions, including forfeiture and vesting provisions, and restrictions against sale, transfer or other disposition as our Board of Directors or the Compensation Committee may determine to be appropriate at the time of making the award. In addition, our Board of Directors or the Compensation Committee may direct that share certificates representing restricted stock be inscribed with a legend as to the restrictions on sale, transfer or other disposition, and may direct that the certificates, along with a stock power signed in blank by the employee, be delivered to and held by us until such restrictions lapse. Our Board of Directors or the Compensation Committee, in its discretion, may provide for a modification or acceleration of shares of restricted stock in the event of a change in control, death or permanent disability of the employee, or for such other reasons as our Board of Directors or the Compensation Committee may deem appropriate in the event of the termination of employment of the covered employee.

*Stock Options.* Stock options are contractual rights entitling an optionee who has been granted a stock option to purchase a stated number of shares of our stock at an exercise price per share determined at the date of the grant. Options are evidenced by stock option agreements with the respective optionees. The exercise price for each stock option granted under our 2006 plan will be determined by our Board of Directors or the Compensation Committee at the time of the grant. Either our Board of Directors or the Compensation Committee will also determine the duration of each option; however, no option may be exercisable more than ten years after the date the option is granted. Within the foregoing limitations, either our Board of Directors or the Compensation Committee may, in its discretion, impose limitations on the exercise of all or some options granted under our 2006 plan, such as specifying minimum periods of time after grant during which options may not be exercised. Our 2006 plan also contains provisions for our Board of Directors or Compensation Committee to provide for acceleration of the right of an individual employee to exercise his or her stock option or restricted stock award in the event we experience a change of control. No cash consideration is payable to us in exchange for the grant of options.

Our 2006 plan provides that the stock options may either be Incentive Stock Options within the meaning of Section 422 of the Code, or the Non-Qualified Options, which are stock options other than Incentive Stock Options within the meaning of Sections 82 and 421 of the Code.

*Incentive Stock Options.* Incentive Stock Options may be granted only to our employees or employees of our subsidiaries, and must be granted at a per share option price not less than the fair market value of our common stock on the date the Incentive Stock Option is granted. In the case of an Incentive Stock Option granted to a stockholder who owns shares of our outstanding stock of all classes representing more than 10% of the total combined voting power of all of our outstanding stock of all classes entitled to vote in the election of directors, the per share option price may not be less than 110% of the fair market value of one share of our common stock on the date the Incentive Stock Option is granted and the term of such option may not exceed five years. As required by the Code, the aggregate fair market value, determined at the time an Incentive Stock Option is granted, of our common stock with respect to which Incentive Stock Options may be exercised by an optionee for the first time during any calendar year under all of our incentive stock option plans may not exceed \$100,000. The maximum number of shares of our common stock underlying Incentive Stock Options granted under our 2006 plan may not exceed 2,400,000.

*Non-Qualified Options.* Non-Qualified Options are stock options which do not qualify as Incentive Stock Options. Non-Qualified Options may be granted to our consultants and independent contractors, as well as to our employees. The exercise price for Non-Qualified Options will be determined by the Compensation Committee at the time the Non-Qualified Options are granted, but may not be less than 75% of the fair market value of our common stock on the date the Non-Qualified Option is granted. Non-Qualified Options are not subject to any of the restrictions described above with respect to Incentive Stock Options. Incentive Stock Options and Non-Qualified Options are treated differently for federal income tax purposes as described below under Tax Treatment.

The exercise price of stock options may be paid in cash, in whole shares of our common stock, in a combination of cash and our common stock, or in such other form of consideration as our Board of Directors or the Compensation Committee may determine, equal in value to the exercise price. However, only shares of our common stock which the optionee has held for at least six months on the date of the exercise may be surrendered in payment of the exercise price for the options.

*Stock Appreciation Rights.* Awards of stock appreciation rights, which we refer to as SARs, entitle the recipient to receive a payment from us equal to the amount of any increase in the fair market value of the shares of our common stock subject to the SAR award between the date of the grant of the SAR award and the fair market value of these shares on the exercise date. Our 2006 plan provides for payment in the form of shares of our common stock or cash.

#### *Transferability*

Restricted stock awards and awards of SARs are not transferable during the restriction period. Incentive Stock Options are not transferable other than by will or by the laws of descent and distribution. Non-Qualified Stock Options are transferable on a limited basis. In no event may a stock option be exercised after the expiration of its stated term.

#### *Termination*

Rights to restricted stock, SARs and stock options which have not vested will generally terminate immediately upon the holder's termination of employment with us or any of our subsidiaries for any reason other than retirement with our consent, disability or death. Our Board of Directors or the Compensation Committee may determine, at the time of the grant, that a holder's stock option agreement may contain provisions permitting the optionee to exercise the stock options for a specified period after such termination, or for any period our Board of Directors or the Compensation Committee determines to be advisable after the optionee's employment terminates by reason of retirement, disability, death, termination without cause, or following a change in control. Incentive Stock Options will, however, terminate no more than three months after termination of the holder's employment, twelve months after termination of the holder's employment due to disability and three years after termination of the holder's employment due to death. Our Board of Directors or the Compensation Committee may permit a deceased holder's stock options to be exercised by the holder's executor or heirs during a period acceptable to our Board of Directors or the Compensation Committee following the date of the optionee's death but such exercise must occur prior to the expiration date of the stock option.

#### *Dilution; Substitution*

Our 2006 plan provides protection against substantial dilution or enlargement of the rights granted to holders of restricted stock and options in the event of stock splits, recapitalizations, mergers, consolidations, reorganizations or similar transactions. New option rights may, but need not, be substituted for the stock options granted under our 2006 plan, or our obligations with respect to stock options outstanding under our 2006 plan may, but need not, be assumed by another corporation in connection with any merger, consolidation, acquisition,

separation, reorganization, sale or distribution of assets, liquidation or like occurrence in which we are involved. In the event that our 2006 plan is assumed, the stock issuable upon the exercise of stock options previously granted under our 2006 plan will thereafter include the stock of the corporation granting such new option rights or assuming our obligations under the 2006 plan.

#### *Amendment*

Our Board of Directors may amend our 2006 plan at any time. However, without stockholder approval, our 2006 plan may not be amended in a manner that would increase the number of shares that may be issued under our 2006 plan, extend the term of our 2006 plan, or otherwise disqualify our 2006 plan for coverage under Rule 16b-3 promulgated under the Exchange Act. Restricted stock or stock options previously granted under our 2006 plan may not be impaired or affected by any amendment of our 2006 plan, without the consent of the affected grantees.

#### *Accounting Treatment*

Under current generally accepted accounting principles with respect to the financial accounting, when we make a grant of restricted stock, an amount equal to the fair market value of the restricted stock at the date of grant is charged to our compensation expense over the period of the restriction. The value of any stock option as of the date of grant will likewise be charged to our compensation expense over the vesting period of the option. Upon the grant of stock options to our employees under our 2006 plan, we would recognize compensation expense to the extent that the exercise price for the stock options granted is less than the fair market value of the covered stock on the date of grant. The cash we receive upon the exercise of stock options would be reflected as an increase in our capital. No additional compensation expense will be recognized at the time stock options are exercised.

Due to consideration of the accounting treatment of restricted stock awards and stock options by various regulatory bodies, it is possible that the present accounting treatment may change.

#### *Tax Treatment*

The following is a brief description of the federal income tax consequences, under existing law, with respect to restricted stock and stock options that may be granted as awards under our 2006 plan.

*Restricted Stock.* A recipient of restricted stock generally will not recognize any taxable income until the shares of restricted stock become freely transferable or are no longer subject to a substantial risk of forfeiture. At that time, the excess of the fair market value of the restricted stock over the amount, if any, paid for the restricted stock is taxable to the recipient as ordinary income. If a recipient of restricted stock subsequently sells the shares, he or she generally will realize capital gain or loss in the year of such sale in an amount equal to the difference between the net proceeds from the sale and the price paid for the stock, if any, plus the amount previously included in income as ordinary income with respect to such restricted shares.

A recipient has the opportunity, within certain limits, to fix the amount and timing of the taxable income attributable to a grant of restricted stock. Section 83(b) of the Code permits a recipient of restricted stock, which is not yet required to be included in taxable income, to elect, within 30 days of the award of restricted stock, to include in income immediately the difference between the fair market value of the shares of restricted stock at the date of the award and the amount paid for the restricted stock, if any. The election permits the recipient of restricted stock to fix the amount of income that must be recognized by virtue of the restricted stock grant. We will be entitled to a deduction in the year the recipient is required (or elects) to recognize income by virtue of receipt of restricted stock, equal to the amount of taxable income recognized by the recipient.

*Incentive Stock Options.* An optionee will not realize any taxable income upon the grant or the exercise of an Incentive Stock Option. However, the amount by which the fair market value of the shares covered by the Incentive Stock Option (on the date of exercise) exceeds the option price paid will be an item of tax preference to which the alternative minimum tax may apply, depending on each optionee's individual circumstances. If the optionee does not dispose of the shares of our common stock acquired by exercising an Incentive Stock Option within two years from the date of the grant of the Incentive Stock Option or within one year after the shares are transferred to the optionee, when the optionee later sells or otherwise disposes of the stock, any amount realized by the optionee in excess of the option price will be taxed as a long-term capital gain and any loss will be recognized as a long-term capital loss. We generally will not be entitled to an income tax deduction with respect to the grant or exercise of an Incentive Stock Option.

If any shares of our common stock acquired upon exercise of an Incentive Stock Option are resold or disposed of before the expiration of the prescribed holding periods, the optionee would realize ordinary income instead of capital gain. The amount of the ordinary income realized would be equal to the lesser of (i) the excess of the fair market value of the stock on the exercise date over the option price; or (ii) in the case of a taxable sale or exchange, the amount of the gain realized. Any additional gain would be either long-term or short-term capital gain, depending on whether the applicable capital gain holding period has been satisfied. In the event of a premature disposition of shares of stock acquired by exercising an Incentive Stock Option, we would be entitled to a deduction equal to the amount of ordinary income realized by the optionee.

*Non-Qualified Options.* An optionee will not realize any taxable income upon the grant of a Non-Qualified Option. At the time the optionee exercises the Non-Qualified Option, the amount by which the fair market value, at the time of exercise, of the shares covered by the Non-Qualified Option exceeds the option price paid upon exercise will constitute ordinary income to the optionee in the year of such exercise. We will be entitled to a corresponding income tax deduction in the year of exercise equal to the ordinary income recognized by the optionee. If the optionee thereafter sells such shares, the difference between any amount realized on the sale and the fair market value of the shares at the time of exercise will be taxed to the optionee as a capital gain or loss, short- or long-term depending on the length of time the stock was held by the optionee before sale.

## PROPOSAL II

### RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

UHY LLP was reappointed by the Audit Committee of our Board of Directors as our independent auditors for 2009. UHY is registered with the Public Company Accounting Oversight Board.

UHY representatives are expected to attend the 2009 annual meeting. They will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate stockholder questions.

Stockholder ratification of the selection of UHY as our independent auditors is not required by our bylaws or otherwise. However, we are submitting the selection of UHY to our stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain UHY. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent audit firm at any time during the year if it is determined that such a change would be in our best interests and the best interests of our stockholders.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF THE FIRM OF UHY LLP AS INDEPENDENT AUDITORS FOR RAM ENERGY RESOURCES, INC. FOR THE YEAR 2009.**

**Information Relating to Our Independent Registered Public Accounting Firm**

UHY LLP has served as our independent public accountants for our fiscal years ended December 31, 2006, 2007 and 2008, and will serve as our independent public accountants for 2009.

**Audit Fees**

Audit fees billed to us during the fiscal years ended December 31, 2007 and December 31, 2008 for audit or review of our annual financial statements and the effectiveness of our internal control over financial reporting, and review those financial statements included in our quarterly reports on Form 10-Q, totaled \$713,077 for 2007 and \$660,000 for 2008.

UHY LLP acts as our principal independent registered public accounting firm. Through and as of March 11, 2009, UHY LLP had a continuing relationship with UHY Advisors, Inc. ( Advisors ) from which it leased auditing staff who were full-time, permanent employees of Advisors and through which UHY LLP's partners provided non-audit services. UHY LLP has only a few full-time employees. Therefore, few, if any, of the audit services performed were provided by permanent, full-time employees of UHY LLP. UHY LLP manages and supervises the audit services and audit staff, and is exclusively responsible for the opinion rendered in connection with its examination of our financial statements and our internal control over financial reporting.

**Audit-Related Fees**

Audit-related fees billed to us during our fiscal years ended December 31, 2007 and December 31, 2008 for assurance and related services reasonably related to the audit or review of our financial statements, but not otherwise disclosed under the heading Audit Fees above, totaled \$73,933 for 2007 and \$14,000 for 2008.

**Tax Fees**

No tax fees were billed to us by UHY LLP during our fiscal years ended December 31, 2007 or December 31, 2008 for tax compliance, tax advice or tax planning.

**All Other Fees**

There were no other fees billed to us during our fiscal years ended December 31, 2007 and December 31, 2008 related to other non-audit services.

The Audit Committee has determined that the provision of non-audit services by UHY LLP did not impact the independence of that firm, and was compatible with maintaining such auditor's independence.

The Audit Committee approves in advance all audit and non-audit services to be performed for us by our independent accountants. This included the performance of the following services by UHY in 2008:

professional services rendered for the audit of our annual financial statements;

review of our quarterly financial statements;

audit services related to the effectiveness of our internal control over financial reporting; and

review of regulatory filings incorporating our annual or interim financial statements.



Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSRS

---

The Audit Committee pre-approved services which represented the following percentages of fees billed in each category in 2007 and 2008:

	2007	2008
Audit-Related Fees		