

Summary of Underwriter Selection

Recommended Firms for 2016 Measure R New Money Bonds

Position	Firm	Alloc.
Senior Manager	Bank of America Merrill Lynch	45%
Co-Senior Manager	JP Morgan Securities	15%
Co-Senior Manager	Loop Capital Markets	15%
Co-Manager	Citigroup Global Markets	10%
Co-Manager	RBC Capital Markets	10%
Manager	Drexel Hamilton	5%

Proposed Price (Takedown): \$1.00 per \$1,000 of Bonds (0.1% of the bond issue)

The takedown is normally the largest component of the spread, similar to a commission, which represents the income the selling broker or dealer derives from the sale of the bonds. It compensates the underwriters for their work in structuring the transaction, marketing the transaction, and underwriting any bonds that are not sold to investors. Note that the actual takedown rate will be in accordance with the senior manager's proposal. The takedown rates for all of the underwriting team will be at the rates of the senior manager. Out of pocket expenses will be an additional charge.

Evaluation of Proposals

The Request For Proposals ("RFP") was sent on August 1, 2016 to all 12 firms that are in our underwriter pool, which was approved by the Board in October, 2015. Proposals were due August 10, 2016 and were received from the 12 firms listed below:

List of Proposers
Bank of America Merrill Lynch
Barclays Capital Inc.
Citigroup Global Markets Inc.
Drexel Hamilton LLC (Disabled Veteran Business Enterprise)
J.P. Morgan Securities LLC
Loop Capital Markets LLC (Minority Owned)
Morgan Stanley
Ramirez & Co., Inc. (Minority Owned)
RBC Capital Markets
Siebert Cisneros Shank & Co., LLC (Minority Owned)
Stifel, Nicolaus & Company, Incorporated
Wells Fargo Bank, N.A.

Proposals were evaluated in accordance with the guidelines and the following criteria established in the RFP:

- Relevant experience of the firm and its individuals 30%
- Quality of the proposal 30%
- Capabilities of the firm of underwriting & distributing the 2016 Bonds 40%

Relevant experience included transportation debt, sales tax revenue secured debt, experience working directly with TIFIA and working on debt that was secured by revenues that also secured TIFIA loans. One factor that was considered in evaluating the capabilities of a firm was the demonstrated commitment of a firm in bidding on our recent competitive bond issues. The RFP also included questions about providing specific suggestions for the structuring of the 2016 Measure R Bonds. The selection committee made up of four staff and one of our financial advisors reviewed all proposals and scored the firms based on the evaluation criteria. These recommendations also reflect the LACMTA's Debt Policy of finding opportunities to contract with small, local, disadvantaged and disabled veteran firms; given the relatively large size of the transaction, this bond issue provides an opportunity to fulfill this policy goal. One co-senior manager is minority owned and the manager on this transaction is a disabled veteran business enterprise. Given the size of the transaction the other members of the recommended syndicate are large broker-dealer firms with strong marketing and distribution capabilities.