

Summary of Underwriter Selection

Recommended Firms for 2019 Proposition C New Money Bonds

| Position | Firm | Alloc. |
|----------------------|---|---------------|
| Joint Senior Manager | Siebert Cisneros Shank & Co., LLC (Minority/Woman Owned) | 35% |
| Joint Senior Manager | Citigroup Global Markets Inc. | 35% |
| Co-Senior Manager | Bank of America Merrill Lynch | 10% |
| Co-Senior Manager | Morgan Stanley | 10% |
| Co-Manager | Drexel Hamilton LLC (Disabled Veteran Business Enterprise) | 5% |
| Co-Manager | Ramirez & Co., Inc. (Minority Owned) | 5% |

Proposed Price (Takedown): \$1.25 per \$1,000 of Bonds (0.125% 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 September 10, 2018 to all 12 firms that are in our underwriter pool, which was approved by the Board in October, 2015. Proposals were due September 24, 2018 and were received from the 12 firms listed below:

| List of Proposers |
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| 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/Woman 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 2019 Bonds 40%

Relevant experience included transportation debt, sales tax revenue secured debt, experience and working with complex financial structures. 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 2019 Proposition C 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 Joint Senior Manager and one Co-Manager are minority owned and one Co-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.