

## **REQUEST FOR UNDERWRITER STATEMENT OF QUALIFICATIONS**

### **I. WORK DESCRIPTION**

Pursuant to Government Code Section 5703, the State Treasurer's Office (STO) seeks statements of qualifications for municipal bond underwriting services commencing April 1, 2017. The STO will admit selected firms to the 2017-2019 Underwriter pool. Firms may be appointed to underwrite (as senior manager, joint senior, co-senior manager, co-manager, or as a selling group member) bonds, notes, commercial paper, and other debt obligations issued on a negotiated basis by the State of California (State), the State Public Works Board (SPWB), joint powers authorities, various State agencies, special purpose trusts, and for various State conduit financing authorities.

Pursuant to Government Code Section 5703(a)(4), the STO will repeat the competitive process for the selection of underwriters at least every 24 months.

#### **A. BONDS AND NOTES ISSUED BY THE STATE OF CALIFORNIA**

1. General Obligation (GO) Bonds  
California voter approved bond acts (bond acts) and the resolutions produced by the finance committees created under the bond acts authorize the issuance of GO bonds. GO bonds may be issued to finance various projects under the respective bond acts, or refund outstanding GO commercial paper notes or bonds.
  
2. General Obligation Commercial Paper Notes (CP Notes)  
Section 16731.6 of the Government Code authorizes the State to issue CP Notes for the GO bond program. The State issues CP Notes as an interim means of providing funds to the State prior to the issuance of long-term bonds authorized under the bond acts and the resolutions.

3. Revenue Anticipation Notes (RANs)

In accordance with Title 2, Division 4, Part 5 (commencing with Section 17300) of the Government Code, whenever the State Controller determines that monies in the General Fund are, or are expected to be, insufficient for the payment of all appropriations by the Legislature, which are required to be paid in the then current fiscal year out of the General Fund, he or she may draw a demand or demands against appropriations made from the General Fund to be paid in the then current fiscal year prior to the receipt of the income, and deliver the demand or demands to the State Treasurer. The State Treasurer shall register the demands for nonpayment and may issue RANs by resolution pursuant to Government Code Section 17302. This resolution must be adopted by the State Treasurer and approved by the State Controller and the Director of Finance. Authorized RANs are then sold by the State Treasurer.

The State issues RANs only to raise funds in an amount sufficient to satisfy the State Controller's registered demand or demands. Any unapplied monies in the General Fund are available for the payment of all notes, and the interest thereon, until the notes and the interest are fully paid and discharged.

**B. BONDS ISSUED BY THE SPWB AND OTHER STATE AGENCIES**

1. SPWB

The State builds and acquires certain capital facilities with lease-purchase borrowing. The SPWB issues lease revenue bonds to finance or refinance the construction of various facilities including, correctional facilities, court facilities, and office buildings. The State Legislature must authorize all projects through a budget act appropriation or separate legislation. These facilities are leased to a State agency under a long-term lease, which provides the source of debt service payments on the bonds. The Board consists of the Director of the Department of Finance, the Director of the Department of Transportation, and the Director of the Department of General Services. For matters relating to the issuance of lease revenue bonds, the State Treasurer and the State Controller are members of the SPWB.

2. Other State Agencies

State agency revenue bond issuers include, but are not limited to: the Department of Water Resources; the Department of Veterans' Affairs; the University of California; the California State University; the California Earthquake Authority; and the California Infrastructure and Economic Development Bank (IBank) (the IBank is also an issuer of conduit revenue bonds). These and other departments are authorized by law to issue revenue bonds which are payable from revenue-producing enterprises and projects.

3. Special Bond Issues  
Occasionally, the State will issue debt by securitizing streams of revenues via a special bond issue, which are payable from anticipated reimbursements or payments such as the Tobacco Settlement Asset-Backed Bonds or the Federal Highway Grant Anticipation Bonds (GARVEE).

## **C. BONDS ISSUED BY STATE CONDUIT FINANCING AUTHORITIES**

1. California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)  
<http://www.treasurer.ca.gov/caeatfa/index.asp>  
CAEATFA was established in 1980 (Public Resources Code Section 26000 et seq.). CAEATFA board membership includes: the State Treasurer, who serves as chair; the State Controller; the Director of the Department of Finance; the Chair of the California Energy Commission; and the President of the California Public Utilities Commission. The Legislature created CAEATFA to assist California businesses in financing facilities using new energy sources and technologies. Public agencies and private enterprises operating within the State and involved in the purchase or sale of alternative energy sources are eligible for financing.
2. California Educational Facilities Authority (CEFA)  
<http://www.treasurer.ca.gov/cefa/index.asp>  
The California Educational Facilities Authority Act, creating CEFA, was enacted in 1972 (Education Code, Section 94100 et seq.). CEFA board membership includes: the State Treasurer, who serves as chair; the State Controller; the Director of the Department of Finance; and two members appointed by the Governor. The Legislature created CEFA to issue revenue bonds assisting private nonprofit institutions of higher learning in the expansion and construction of educational facilities.
3. California Health Facilities Financing Authority (CHFFA)  
<http://www.treasurer.ca.gov/chffa/index.asp>  
CHFFA was established in 1979 (Government Code Section 15430 et seq.). CHFFA board members include: the State Treasurer, who serves as chair; the State Controller; the Director of the Department of Finance; two members appointed by the Senate Rules Committee; two members appointed by the Speaker of the Assembly; and two members appointed by the Governor. The Legislature created CHFFA to issue revenue bonds assisting qualifying health facilities to acquire facilities, refinance debt, construct or remodel facilities, purchase equipment, obtain reimbursement of qualified expenditures, and with certain restrictions, finance short-term working capital needs.

4. California Infrastructure and Economic Development Bank (IBank)  
<http://www.ibank.ca.gov/>  
IBank was created in 1994 by the Bergeson-Peace Infrastructure and Economic Development Bank Act (Government Code Section 63000 et seq.). IBank board membership includes: the Director of the Governor's Office of Business and Economic Development, who serves as chair; the State Treasurer; the Secretary of the State Transportation Agency; the Director of the Department of Finance; and a Governor's Appointee. The IBank has broad authority to issue revenue bonds or provide other types of financial assistance to a wide variety of both public and private infrastructure and economic development projects.
  
5. California Pollution Control Financing Authority (CPCFA)  
<http://www.treasurer.ca.gov/cpcfa/index.asp>  
CPCFA was established by the Legislature in 1972 (Health and Safety Code Section 44508 et seq.). CPCFA board membership includes: the State Treasurer, who serves as chair; the State Controller; and the Director of the Department of Finance. The Legislature created CPCFA to issue tax-exempt or taxable conduit bonds, notes, and other obligations to assist California businesses, which help abate, eliminate, prevent, control, or reduce any form of pollution of the earth, air, or water.
  
6. California School Finance Authority (CSFA)  
<http://www.treasurer.ca.gov/csfa/index.asp>  
CSFA was established in 1985 (Education Code Section 17170 et seq.). CSFA board membership includes: the State Treasurer, who serves as chair; the Superintendent of Public Instruction; and the Director of the Department of Finance. The Legislature created CSFA to issue bonds and other debt to provide loans to charter schools, school districts, and community college districts.
  
7. California Transportation Financing Authority (CTFA)  
<http://www.treasurer.ca.gov/ctfa/index.asp>  
CTFA was established in 2009 (Government Code Section 64100 et seq.). CTFA board membership includes: the State Treasurer, who serves as Chair; the State Controller; the Director of the Department of Finance; the Director of the California Department of Transportation; the Director of the California Transportation Commission; a Senate Rules Committee Appointee; and an Assembly Speaker Appointee. The Legislature created CTFA to issue or approve the issuance of revenue bonds to finance transportation projects. To date, CTFA has not issued any debt.

8. California Urban Waterfront Area Restoration Financing Authority (CUWARFA)  
CUWARFA was established in 1983 (Public Resources Code Section 32000 et seq.) to support efforts to restore, develop, and revitalize California's coastline and inland urban waterfront areas. Financing is available for both publicly and privately sponsored projects that provide public access or public recreation benefits, environmental enhancement, and demonstrate potential for job creation and economic stimulation. The projects must be economically self-sustaining, and are subject to guidelines established by the State Coastal Conservancy. CUWARFA board membership is comprised of: the State Treasurer, who serves as chair; the Director of the Department of Finance; the State Controller; the Director of the State Coastal Conservancy; and the Secretary of the Resources Agency. CUWARFA currently has no plans to issue debt.

## **II. SCOPE OF SERVICES**

### **A. BOOK-RUNNING, JOINT SENIOR, OR CO-SENIOR MANAGER**

The scope of services provided by a book-running, joint senior, or co-senior manager includes, but is not limited to:

1. Develop financing alternatives working with the STO/Issuer;
2. Assist in the review of legal and financial documentation (Indenture, Bond Purchase Agreement, Official Statement, etc.);
3. Manage an underwriting syndicate selected by the State Treasurer to market the debt obligation to investors;
4. Follow the State Treasurer's oral or written syndicate policies, pricing procedures, and process of selling debt obligations;
5. Develop a comprehensive marketing plan, including identification of potential investors;
6. Assist the State Treasurer in the successful structuring, marketing, and sale of debt obligations to achieve the lowest possible borrowing cost;
7. Underwrite bonds, if necessary, to enable an orderly pricing and to meet the STO's goals for pricing and comply with Internal Revenue Service (IRS) regulations; and
8. Assist the State Treasurer in the post-financing evaluation process, including the timely submittal of all required reports.

**B. CO-MANAGER**

The scope of services provided by co-managers includes, but is not limited to:

1. Participate, if requested, in informational and due diligence meetings;
2. Respond to requests from the book-running senior manager regarding preliminary pricing information, including but not limited to, estimated interest rate scale detailing coupons and yields;
3. Assist the State Treasurer in the successful marketing and sale of debt obligations to achieve the lowest possible borrowing cost;
4. Underwrite bonds, if necessary, to enable an orderly pricing and to meet the STO's goals for pricing and comply with IRS regulations; and
5. Follow the State Treasurer's policies, either oral or written, for liability, designation and retention procedures, pricing procedures, and the process of selling debt obligations.

**C. SELLING GROUP**

The scope of services provided by selling group members includes, but is not limited to:

1. Assist the State Treasurer in the successful marketing and sale of debt obligations to retail investors to achieve the lowest possible borrowing cost; and
2. Follow the State Treasurer's policies, either oral or written, for pricing procedures, including the definition of a retail order, and the process of selling debt obligations.

### III. MINIMUM QUALIFICATIONS

#### A. ALL FIRMS

In order to be eligible for admission to the STO's underwriter pool, all firms must meet the following minimum qualifications:

1. **Net Capital:**  
The firm must maintain a minimum net capital of \$100,000 at all times.
2. **Licenses and Registrations:**  
The firm must hold and maintain at all times, all licenses and registrations required by applicable federal and state laws for businesses offering underwriting or investment banking services. All licenses and registrations must be current and in good standing with each of the following:
  - a. U.S. Securities and Exchange Commission (SEC);
  - b. Financial Industry Regulatory Authority (FINRA);
  - c. FINRA Series 53: The firm must maintain at all times, at least one full-time professional supervisory employee with a FINRA Series 53 license (Municipal Securities Principal);
  - d. California Department of Business Oversight (DBO): To determine the firm's DBO requirements, please contact the DBO at 1-866-275-2677 or visit their website at [http://www.dbo.ca.gov/Licensees/Broker-Dealer and SEC Investment Advisers/Default.asp](http://www.dbo.ca.gov/Licensees/Broker-Dealer%20and%20SEC%20Investment%20Advisers/Default.asp); and
  - e. Municipal Securities Rulemaking Board (MSRB)
3. **Bond Campaign Contribution and Services Prohibition Certification:**  
Underwriting firms applying to the 2017-2019 Underwriting Pool must provide an Initial Certification, certifying that the firm has in place a policy or procedure requiring that the firm or any municipal finance professional associated with the firm will not accept any municipal securities business with a municipal entity in California within two years of any contribution made or provided after the date of certification by the firm or any municipal finance professional associated with the firm to a bond ballot campaign for bonds of the municipal entity.

In addition, the STO requires underwriting firms to certify quarterly that the firm has a policy or procedure in place requiring that the firm or any municipal finance professional associated with the firm will not accept any municipal securities business with any municipal entity in California within two years of any contribution made or provided after the date of the firm's Initial Certification by the firm or any municipal finance professional associated with the firm to a bond ballot campaign for bonds of the municipal entity. **If a firm fails to submit the mandatory quarterly Bond Campaign Contribution and Services Prohibition Certification within one week of the deadline (April 30, July 31, October 31, and January 31), the firm may be suspended from the underwriter pool, be ineligible for appointments, and be required to request reinstatement.**

Please see Attachments G and H for defined terms associated with this minimum qualification.

4. **Quarterly Disclosure Report:**

Firms selected as members of the underwriting pool are required to complete a disclosure certification quarterly regarding any changes to the firm's ability to meet the minimum qualifications, the disclosure information submitted in the firm's SOQ in response to this RFQ, and any contact information changes. The firm shall fulfill this requirement by submitting an updated Disclosure Report (a copy of the Disclosure Report Form is included with the Underwriter Pool Acceptance Letter) that includes disclosure of any new actions brought against the firm subsequent to its initial disclosure at the time of its application to the pool. Once disclosed, firms must continue to report on all open actions until they are resolved. If no changes or new actions have occurred, please select the appropriate box on the Disclosure Report. Required back-up documentation for the quarterly report includes, but is not limited to: copies of the firm's most recent SEC Form 10-K and 10-Q (Legal Proceedings sections only), if required by the SEC; and an updated copy of the Disclosure Event section of the firm's FINRA BrokerCheck Report including all pending, final, and on appeal regulatory, civil, arbitration, and bond events. **If a firm fails to submit the mandatory quarterly report within one week of the deadline (April 30, July 31, October 31, and January 31), the firm may be suspended from the underwriter pool, be ineligible for appointments, and be required to request reinstatement.**



5. **California Taxpayer and Shareholder Protection Act of 2003–U.S. Expatriate Corporations (Public Contract Code Sections 10286 and 10286.1):**

The STO will not contract or otherwise do business, absent a compelling public interest, with publicly-held U.S. expatriate corporations. This law is designed to ensure that companies the STO conducts business with meet threshold standards of corporate accountability.

6. **Darfur Contracting Act of 2008:**

The firm must comply with the Darfur Contracting Act of 2008. The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with “scrutinized” companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code Section 10475. A scrutinized company is a company doing business in Sudan as defined in Public Contract Code Section 10476.

Scrutinized companies are ineligible to, and cannot bid on, or submit a proposal for a contract with a State agency for goods or services (Public Contract Code Section 10477(a)). Therefore, Public Contract Code Section 10478(a) requires a company that currently has, or within the previous three years has had, business activities or other operations outside of the United States to certify that it is not a “scrutinized” company when it submits a bid or proposal to a State agency. A scrutinized company however, may still submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS), according to the criteria set forth in Public Contract Code Section 10477(b).

7. **Iran Contracting Act of 2010:**

Once appointed to a transaction, the firm must comply with the Iran Contracting Act of 2010. The Act requires that, at the time an underwriter is selected for a State bond issuance (including the senior manager, joint senior manager, co-senior manager, co-manager, and any selling group member that can reasonably be expected to earn \$1,000,000 or more from the sale), the firm will be required to a) certify it is not on the current list of persons engaged in investment activities in Iran created by the California Department of General Services (“DGS”) pursuant to Public Contract Code Section 2203(b) and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code Section 2203(c) or (d). Please note, if a firm claims the Section 2203(c) or (d) exemption, additional findings by the STO are required and will be made solely at the discretion of the STO.

With respect to any bond transaction for one of the State’s conduit financing authorities, the required certification shall be made prior to the authority’s approval of a final resolution authorizing the issuance of bonds.

8. **Investment Protection Standards:**

The STO maintains Investment Protection Standards (IPS) that set minimum corporate ethics rules for the investment banks and broker-dealers who do business with the State of California. The standards seek to protect investors, taxpayers, and pensioners. The complete unabridged form of the IPS is located on the STO website at <http://www.treasurer.ca.gov/bonds/ips.asp>.

**B. APPOINTMENT AS A SENIOR MANAGER, JOINT SENIOR, CO-SENIOR MANAGER OR CO-MANAGER ON STATE BOND ISSUES**

Firms seeking eligibility for appointments to bond and note transactions issued by the State of California, the SPWB, and other State agencies (**excluding State conduit financing authorities**) (collectively “State Bond Issues”) in the senior manager, joint senior manager, co-senior manager, or co-manager capacity, must provide documentation that the firm meets **at least one** of the following additional minimum qualifications:

1. The firm’s headquarters are located in California; or
2. The firm is certified as a Disabled Veteran Business Enterprise by the State of California, Department of General Services; or

3. The firm employs at least one dedicated public finance investment banker that lives and works in California, has at least two years of experience as a public finance investment banker, and holds a Series 52, 53, or 7 (Series 7 passed on or before November 6, 2011) license. The STO shall have sole discretion in determining whether the firm meets this requirement; or
4. The firm has traded \$100 million or more of the State's fixed rate GO bonds (base CUSIPs: 130626, 130627, 130628, 130629, 13062N, 13062P, 13062R, 13062T, 13063A, 13063B, and 13063C) in the secondary market in the State's previous fiscal year.

**Please note: Firms not meeting at least one of the above additional minimum qualifications will only be eligible to be considered for appointment to State Bond Issues as a selling group member.**

#### **IV. CONTENT OF STATEMENTS OF QUALIFICATIONS**

Responses should be limited to 15 pages (excluding Attachments A through S and the Investment Protection Standards exhibits) using a typeface font of no less than 12 pitch. **Failure to provide all requested information or deviation from the required format may result in disqualification.** Please address all of the following items in responding to this RFQ:

##### **A. COVER LETTER**

Cover letter shall be signed by a person authorized to commit the firm to the terms of the response that is primarily responsible for the veracity of statements made in the response.

##### **B. FIRM ATTRIBUTES AND COMMITMENT TO CALIFORNIA**

1. **Firm Description** (Please provide the following):
  - a. Brief history;
  - b. Headquarters location;
  - c. Ownership structure of the firm;
  - d. Briefly list all significant lines of business beside public finance and municipal securities, in which the firm is active; and
  - e. Please state your firm's (or parent company's) long term and short-term ratings as of January 1, 2016 and 2017.

2. **Business in California** (Please provide the following):
  - a. How many full-time employees does the firm currently employ nationwide and in California? Please provide a number for the entity applying to the pool and a separate number for any related entities (if applicable).
  - b. Provide a table showing the total number and breakdown of professionals dedicated exclusively to public finance (i.e., public finance investment banking, underwriting, remarketing, sales, and trading) working in both California and outside of California.
  - c. How many offices does your firm have in California?
  
3. **Municipal Bond Department** (Please provide the following):
  - a. Description of the municipal bond department's position and level of importance in the firm.
  - b. Has the firm's municipal bond department experienced any significant staffing changes over the past five years? If so, please briefly describe.
  
4. **Capital Commitment** (Please provide the following):
  - a. Description of the firm's capital commitment to its public finance activities.
  - b. Average daily inventory of municipal bonds (tax-exempt fixed rate only) for 2015 and 2016.
  
5. **Retail** (Please provide the following):
  - a. Please provide the dollar amount of all California (State and local) municipal securities currently held in retail accounts at your firm.

**C. PUBLIC FINANCE EXPERIENCE AND CAPABILITIES**

1. **Marketing Capabilities:**
  - a. Describe the depth and breadth of your firm's individual retail, professional retail, and institutional municipal securities marketing capabilities, nationwide and in California.
  
2. **Experience – California Issuers:**
  - a. Please list the firm's experience as senior manager, joint senior, co-senior manager, co-manager, or selling group member for municipal bond issuers within California from January 1, 2015 to 2017 year-to-date by completing **Attachment A**.
  
3. **Experience – Non-California Issuers:**
  - a. Please list the firm's experience as senior manager, joint senior, co-senior manager, co-manager, or selling group member for municipal bond issuers outside of California from January 1, 2015 to 2017 year-to-date by completing **Attachment B**.

4. **SDC League Table Rankings:**
- a. Provide your firm's 2015 and 2016 SDC league table rankings for long-term fixed bond sales for the following:
    - (I) Senior managed negotiated issues;
    - (II) Senior managed competitive issues; and
    - (III) Co-managed all issues.

**Use the same methodology as the league tables published in the Bond Buyer. If your firm does not have a league table ranking please state as such.**

5. **Previous Performance:**
- a. Provide at least one example of a tax-exempt financing in which the firm was in the syndicate as a co-manager where the firm provided greater than expected value to the issuer or in the marketing of the bonds. **(Limit response to one page).**
6. **Underwriting:**
- a. In the past two years, what are the three largest positions the firm has taken down into inventory as the book-running senior manager?
    - (I) Please list the issuer, amount, and type (i.e. notes or bonds).
  - b. Specify the dollar amount of bonds in which the firm can underwrite at one time as of the date of submission of the SOQ.
    - (I) Provide a breakdown of how much of that underwriting capacity the firm bases on its own capital and how much the firm bases on other sources of capital such as letters/lines of credit.
7. **Pricing Data:**
- a. Please describe the sources of current market information the firm uses to provide bond-pricing data before, during, and after a sale.

## **D. PERSONNEL**

1. **Personnel Experience:**
- a. Complete **Attachment C** to identify the investment banking, sales, trading, and underwriting personnel available to work on financings for the State, State agencies, and State conduit financing authorities.

**E. COMPLIANCE WITH MINIMUM QUALIFICATIONS**

1. **Capital Compliance:**

- a. Provide the firm's equity, debt, net capital, and excess net capital as defined by FINRA, for each of the previous three years on **Attachment D**.

2. **Licensing, Registration, Disciplinary Action and Litigation:**

- a. New firms, please complete **Attachment E**.
- b. If your firm is a member of the STO 2015-2017 Underwriter Pool, please complete **Attachment F**.

3. **Bond Campaign Contribution and Services Prohibition Certification:**

- a. All firms complete **Attachment G**.
- b. All firms would then submit **Attachment H** beginning with the quarter ending June 30, 2017 and each quarter thereafter.

4. **Quarterly Disclosure Report Certification:**

- a. Please execute **Attachment I** agreeing to provide quarterly disclosure to the STO.

5. **California Taxpayer and Shareholder Protection Act of 2003–U.S. Expatriate Corporations:**

- a. A Firm must certify that it is not an expatriate corporation and is eligible to contract with the STO by completing **Attachment J** Expatriate Corporations Certification.
- b. If appointed to a State Bond Issue, the firm will be required to re-certify by signing the engagement letter.

6. **Darfur Contracting Act of 2008:**

- a. Please complete **Attachment K**.

7. **Iran Contracting Act of 2010:**

- a. Firms will be required to complete a certification similar to **Attachment L** for each applicable transaction shortly after the firm is appointed for that particular sale.

**Please note that Attachment L is for your information only and does not need to be completed as part of the SOQ.**

8. **Investment Protection Standards (IPS):**
  - a. All firms must provide completed IPS documents.
  - b. These documents include:
    - (I) The IPS Certification **Attachment M**;
    - (II) **IPS Exhibit 1** (if applicable).

**More information regarding the IPS is located on the STO website at:**  
[www.treasurer.ca.gov/bonds/ips.asp](http://www.treasurer.ca.gov/bonds/ips.asp).

9. **Eligibility for Manager Appointments:**
  - a. Firms seeking eligibility for Appointment as a senior manager, joint senior, co-senior manager, or co-manager on State Bond Issues (excludes State conduit financing authority transactions) must complete **Attachment N**.

**Firms that do not meet at least one of the additional minimum qualifications contained will only be eligible to be considered for appointment to State Bond Issues as a selling group member.**

**F. DISABLED VETERAN BUSINESS ENTERPRISES**

State law establishes participation goals of three percent for Disabled Veteran Business Enterprises (DVBEs) in contracts for professional bond services awarded by State agencies. These goals apply to the annual dollar amount expended on professional bond services. In the case of underwriting firms, this includes all fees related to the issuance of bonds, such as management fees and takedown. DVBE certification is obtained through the California Department of General Services (DGS)

(<http://www.dgs.ca.gov/pd/Programs/OSDS/DVBEEligibilityBenefits.aspx>).

**Firms requesting DVBE status must submit their California DGS DVBE Certificate with the SOQ, and resubmit annually as the California DGS DVBE Certificate is renewed.**

**G. MINORITY/WOMEN BUSINESS ENTERPRISES**

Although State law no longer establishes participation goals for Minority Business Enterprises (MBEs) or Women Business Enterprises (WBEs), it does require the STO to report annually to the Governor and the Legislature on the level of participation by MBEs and WBEs in contracts for professional bond services awarded (Government Code Section 16855). The STO requests businesses disclose this information, on a voluntary basis, by completing **Attachment O**. The STO uses this information for reporting purposes only and not for the purpose of underwriter appointments.

**H. STO SMALL BUSINESS ENTERPRISE PROGRAM**

In an effort to assist small businesses in public finance development, and to increase the potential distribution of the State's bonds, the STO has developed a Small Business Enterprise (SBE) Program for members of its Underwriter Pool. A small business enterprise is defined as one that is independently owned and operated, with average annual gross receipts of \$38.5 million or less, averaged over the previous three most recently completed fiscal or taxable years. (SBE size is as defined by the U.S. Small Business Administration for NAICS Code 523110 Investment Banking and Securities Dealing.) Wholly owned corporate subsidiaries of corporations shall be eligible for certification as a Small Business Enterprise only if the parent corporation certifies as a Small Business Enterprise. Subsidiaries of Small Business Enterprise corporations that are not wholly owned by the Small Business Enterprise Corporation shall be ineligible for certification as a Small Business Enterprise. Membership in the SBE program does not guarantee an appointment to a bond sale and is used exclusively by the STO. Firms that wish to participate in the SBE program must complete and submit **Attachment P**.

**I. FIRM'S INTEREST IN ISSUERS**

Complete **Attachment Q**.

**J. FIRM CONTACTS**

Please provide contact information as described on **Attachment R**. Please notify the STO immediately of any changes to Attachment R at [InvestorRelations@treasurer.ca.gov](mailto:InvestorRelations@treasurer.ca.gov).

**K. SELLING GROUP PARTICIPATION**

Please complete **Attachment S**.

**V. DELIVERY**

The STO will reject any incomplete SOQs. Failure to submit all requested information will delay the review process of your firms SOQ. An SOQ checklist, for your reference, is on page 19. The STO will accept SOQs by **e-mail only**:

**A. E-MAIL DELIVERIES:**

1. Address:  
To: [InvestorRelations@treasurer.ca.gov](mailto:InvestorRelations@treasurer.ca.gov)  
Subject: FIRM NAME-Underwriter Statement of Qualifications
2. Electronic deliveries must be in Adobe Acrobat PDF format.
3. Signature pages not included in the e-mailed submission may be faxed to the attention of Christina Sarron at 916-657-4827. No other fax transmittals will be accepted.
4. If you have any questions, please contact Christina Sarron at [csarron@treasurer.ca.gov](mailto:csarron@treasurer.ca.gov) or (916) 653-2668.



**VI. CALIFORNIA PUBLIC RECORDS ACT**

All material submitted in response to this solicitation will become the property of the State of California and will not be returned. In addition, all material submitted may be considered a public record by the STO and subject to disclosure pursuant to the California Public Records Act (Government Code Section 6250 et seq.). Should the STO receive a request for any proposals submitted in response to this RFQ, the bidder submitting the requested proposal may be contacted prior to disclosure of the proposal to determine what portions, if any, of the proposal may be confidential. The STO reserves the right, consistent with the California Public Records Act and in consultation with the bidder, to make the final determination whether a proposal, or any portion of it, is confidential and not subject to disclosure.

**VII. STATEMENT EVALUATIONS**

- A. The STO evaluates SOQs based on the following criteria:
  - 1. Satisfaction of the minimum qualifications; and
  - 2. Ability to provide required services.
- B. The STO reserves the right to:
  - 1. Request an interview with, and require additional information from, any firm prior to its selection; and
  - 2. Consider information about any firm from other sources in addition to the information submitted by the firm.

**VIII. SELECTION OF UNDERWRITERS**

In accordance with Government Code Section 5703, the State Treasurer will exercise sole authority for selecting underwriters for each negotiated sale. Except as described in Section IX, the STO shall choose underwriters only from the pool.

The State Treasurer may occasionally seek ideas, advice, and proposals from pool members. Inclusion in the pool, providing ideas, advice, or proposals does not offer any assurance that a firm will be appointed to any transaction.

Although the State Treasurer does not select underwriters' counsel, the STO must be consulted about such counsel prior to any appointment. If underwriters expect reimbursement for underwriters' counsel fees, the underwriters will be required to justify the proposed fees as reasonable in accordance with the STO's Underwriter's Expense Policy.

## **IX. REMOVAL FROM POOL/ADDITIONS TO POOL**

- A. Any firm may be removed or suspended from the pool for reasons which include, but are not limited to, the following:
1. Unacceptable performance in any bond sale as determined by an evaluation by the Public Finance Division or a State conduit financing authority; or
  2. Failure to comply with STO syndicate policies; or
  3. Failure to continue to meet the minimum qualifications listed under Section III.; or
  4. Failure to maintain federal, state, MSRB, or FINRA registrations, licenses, or memberships necessary for offering and selling securities in California; or
  5. Being the subject of, or failure to disclose, any litigation, arbitration, or disciplinary action by the MSRB, SEC, FINRA, the California Department of Business Oversight, or other official body; or
  6. Filing for protections under federal or state bankruptcy laws; or
  7. Being the subject of, or failure to disclose, any criminal action; or
  8. Failure to submit a quarterly disclosure report or bond campaign contribution and services prohibition certification in a timely manner (per Attachment I and G respectively).

The STO accepts Pool applications on an ongoing basis and occasionally the State Treasurer may make additions to the pool. Underwriters applying to the pool after April 1, 2017 must submit a response to the RFQ and will be evaluated based on the same criteria used to establish the pool.

## **X. ONGOING COMPLIANCE WITH MINIMUM QUALIFICATIONS**

To remain in the underwriter pool, firms must meet the minimum qualifications described in Section III.A. at all times. In addition, firms seeking eligibility for appointments as a senior manager, joint senior, co-senior manager, or co-manager on State Bond Issues (excludes State conduit financing authority transactions) must meet the additional minimum qualifications in Section III.B at all times. Pool members are responsible for notifying the STO's Public Finance Division Director if the firm no longer meets the minimum qualifications.

**SOQ CHECKLIST PART I**  
 State of California  
 Office of the State Treasurer

The **STO** requires the following information when submitting a complete statement of qualifications (SOQ). Incomplete SOQs may be rejected.

<b>Statement of Qualifications</b>	
<input type="checkbox"/>	Section IV.A. Cover Letter
<input type="checkbox"/>	Section IV.B. Firm Attributes and Commitment to California
<input type="checkbox"/>	Section IV.C. Public Finance Experience and Capabilities
<b>Attachments</b>	
<input type="checkbox"/>	<b>Attachment A:</b> Public Finance Experience-California Issuers
<input type="checkbox"/>	<b>Attachment B:</b> Public Finance Experience-Non-California Issuers
<input type="checkbox"/>	<b>Attachment C:</b> Personnel Experience
<input type="checkbox"/>	<b>Attachment D:</b> Capital Compliance
<input type="checkbox"/>	<b>Attachment E:</b> Licensing, Registration, Disciplinary Action, and Litigation - New Members
<input type="checkbox"/>	<b>Attachment F:</b> Licensing, Registration, Disciplinary Action, and Litigation - Members of the 2015-2017 Underwriting Pool
<input type="checkbox"/>	<b>Attachment G:</b> Bond Campaign Contribution and Services Prohibition Certification 2017-2019 Underwriter Initial Certification
<input type="checkbox"/>	<b>Attachment H: DO NOT COMPLETE INFORMATIONAL ONLY</b>
<input type="checkbox"/>	<b>Attachment I:</b> Quarterly Disclosure Report Certification
<input type="checkbox"/>	<b>Attachment J:</b> Expatriate Corporations Certification
<input type="checkbox"/>	<b>Attachment K:</b> Darfur Contracting Act Certification
<input type="checkbox"/>	<b>Attachment L: DO NOT COMPLETE INFORMATIONAL ONLY</b>
<input type="checkbox"/>	<b>Attachment M:</b> Investment Protection Standards Certification
<input type="checkbox"/>	IPS Exhibit 1: Investment Protection Standards Certification (Equity & Research) (If Applicable) Available on the STO website <a href="http://www.treasurer.ca.gov/corp_reform/ips/exhibit1.pdf">http://www.treasurer.ca.gov/corp_reform/ips/exhibit1.pdf</a>
<input type="checkbox"/>	<b>Attachment N:</b> Additional Minimum Qualifications Certification – Senior Manager, Joint Senior Manager, Co-Senior Manager, and Co-Manager Appointments-State Bond Issues
<input type="checkbox"/>	<b>Option 3:</b> If you chose option 3, please include a resume for this individual and a copy of their Series 52, 53, or 7 (Series 7 must have been passed on or before November 6, 2011) license.
<input type="checkbox"/>	<b>Option 4:</b> If you chose option 4, please attach documentation for the State’s most recent fiscal year (July 1 through June 30) for State of California General Obligation Bond Trades totaling \$100 million or more.
<input type="checkbox"/>	<b>Attachment O:</b> Minority Business Enterprise and Women’s Business Enterprise Certification (Voluntary)
<input type="checkbox"/>	<b>Attachment P:</b> Small Business Enterprise Program (If Applicable)
<input type="checkbox"/>	Audited Financial Statements for the previous 3 years
<input type="checkbox"/>	<b>Attachment Q:</b> Issuers
<input type="checkbox"/>	<b>Attachment R:</b> Firm Contacts
<input type="checkbox"/>	<b>Attachment S:</b> Selling Group Participation
<b>Required Documentation</b>	
<input type="checkbox"/>	FOCUS Report or Audited Financial Statements As required by Attachment E or F
<input type="checkbox"/>	SEC 10-K As required by Attachment E or F
<input type="checkbox"/>	SEC 10-Q As required by Attachment E or F
<input type="checkbox"/>	FINRA BrokerCheck Report As required by Attachment E or F
<input type="checkbox"/>	DVBE Certification from the California Department of General Services (DGS) (If Applicable)







**CAPITAL COMPLIANCE  
MINIMUM QUALIFICATIONS**  
State of California  
Office of the State Treasurer

Provide the firm's equity, debt, net capital, and excess net capital as defined by FINRA for each of the previous three years.

<b>2016</b>	<b>Amount</b>
Equity:	
Debt:	
Net Capital:	
Excess Net Capital:	

<b>2015</b>	<b>Amount</b>
Equity:	
Debt:	
Net Capital:	
Excess Net Capital:	

<b>2014</b>	<b>Amount</b>
Equity:	
Debt:	
Net Capital:	
Excess Net Capital:	

(FIRM NAME)  
**Licensing, Registration, Disciplinary Action, and Litigation**  
**New Firms**  
 State of California  
 Office of the State Treasurer

**LICENSING, REGISTRATION, CERTIFICATIONS**

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 1. Does the firm have an active Broker-Dealer license issued by the Securities and Exchange Commission (SEC) in the name of the firm?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the firm required by the SEC or the Financial Industry Regulatory Authority (FINRA) to file Financial and Operational Combined Uniform Single Reports (FOCUS Reports)? If so, please provide a copy of the firm's most recent FOCUS Report. If the firm is not required to file a FOCUS Report, please provide a copy of the firm's most recent audited financial statement. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the firm a current member in good standing with the FINRA?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the firm registered with and approved by FINRA as a Broker-Dealer in the State of California? If not, does the firm have an active Broker-Dealer Certificate with the State of California Department of Business Oversight?  | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Please provide each of the following:   |                          |                          |
| Firm's SEC File Number:  |                          | _____                    |
| Firm's MSRB Number:  |                          | _____                    |
| Firm's Central Registration Depository (CRD) Number:   |                          | _____                    |
| Identification of one full-time professional supervisory employee with a FINRA Series 53 license:  |                          |                          |

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Office Location: \_\_\_\_\_

**DISCIPLINARY ACTION & LITIGATION** (Please attach additional sheets as necessary)

- |   |                          |                          |
|---|--------------------------|--------------------------|
| 6. Within the past 24 months, has the firm, any of its principals, or its parent company been the subject of an investigation by the SEC, FINRA, California Department of Business Oversight, or any governmental or securities industry-based regulatory agency? <b>If yes, please attach additional information. (Does not count towards 15 page limit)</b>   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Within the past 24 months, has the firm, any of its principals, or its parent company been involved in any litigation, arbitration, disciplinary, or other official action arising from the firm's underwriting, underwriting practices, management, or the purchase, sale, or distribution of taxable or tax-exempt municipal securities or other governmental obligations (other than individual retail customer claims) by the SEC, FINRA, California Department of Business Oversight, or any other governmental or securities industry-based regulatory agencies? <b>If yes, please attach additional information. (Does not count towards 15 page limit)</b> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Within the past 24 months, has the firm, any of its principals, or its parent company been convicted of any crime related to the conduct of the firm's business or been assessed or paid judgments in excess of \$1 million related to the conduct of the firm's business? <b>If yes, please attach additional information. (Does not count towards 15 page limit)</b>   | <input type="checkbox"/> | <input type="checkbox"/> |



**CREDIT DEFAULT SWAPS**

Yes      No  
     

9. Within the past 24 months, pursuant to its credit default swap market-making activities, has the firm entered into any State of California credit default swaps (“CDS”)? If yes, please include as an attachment the following information:
- a. The firm’s cumulative notional volume of State of California CDS trades for the most recently ended 24-month period.
  - b. The firm’s outstanding gross and net notional amount of State of California CDS as of the end of the current 24-month period.

10. Within the past 24 months, pursuant to its proprietary trading activities, has the firm entered into any proprietary trades for its own account in State of California CDS? If yes, please include as an attachment the following information:
- a. The firm’s outstanding gross and net notional amount of proprietary State of California CDS (and whether the net position is short or long credit protection) as of the end of the current 24 month period.
  - b. List all times during the past 24 months during which, the firm held net long or net short proprietary credit protection positions, the amount of such positions, and whether those positions were net-long or net-short credit protection positions.

11. Within the past 24 months, has the firm released any publicly available research or marketing reports that reference State of California CDS? If yes, please include the report(s) as an attachment.

**ADDITIONAL DOCUMENTATION**

Please check one of the following boxes:

Attached are the firm’s most recent 10-K and 10-Q legal proceedings sections, as well as the Disclosure Event section of the firm’s FINRA BrokerCheck report for the period of April 1, 2015 through January 31, 2017.

Attached is the Disclosure Event section of the firm’s FINRA BrokerCheck report for the period of April 1, 2015 through January 31, 2017. The firm is not required to submit a 10-K or 10-Q legal proceedings sections by the SEC.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Signature  
(Printed Name)  
\_\_\_\_\_  
(Job Title)  
\_\_\_\_\_

(FIRM NAME)  
**LEGAL DISCLOSURE CERTIFICATION**  
**Members of the 2015-17 Underwriter Pool**  
 State of California  
 Office of the State Treasurer

**LICENSING, REGISTRATION, CERTIFICATIONS**

Yes No

1. Does the firm have an active Broker-Dealer license issued by the Securities and Exchange Commission (SEC) in the name of the firm?  Yes  No
2. Is the firm required by the SEC or the Financial Industry Regulatory Authority (FINRA) to file Financial and Operational Combined Uniform Single Reports (FOCUS Reports)? If so, please provide a copy of the firm's most recent FOCUS Report. If the firm is not required to file a FOCUS Report, please provide a copy of the firm's most recent audited financial statement.  Yes  No
3. Is the firm a current member in good standing with the FINRA?  Yes  No
4. Is the firm registered with and approved by FINRA as a Broker-Dealer in the State of California? If not, does the firm have an active Broker-Dealer Certificate with the State of California Department of Business Oversight?  Yes  No
5. Please provide each of the following:  
 Firm's SEC File Number: \_\_\_\_\_  
 Firm's MSRB Number: \_\_\_\_\_  
 Firm's Central Registration Depository (CRD) Number: \_\_\_\_\_  
 Identification of one full-time professional supervisory employee with a FINRA Series 53 license: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Office Location: \_\_\_\_\_

**DISCIPLINARY ACTION & LITIGATION** (Please attach additional sheets as necessary)

6. Within the past 3 months, has the firm, any of its principals, or its parent company been the subject of an investigation by the SEC, FINRA, California Department of Business Oversight, or any governmental or securities industry-based regulatory agency? **If yes, please attach additional information. (Does not count towards 15 page limit)**  Yes  No
7. Within the past 3 months, has the firm, any of its principals, or its parent company been involved in any litigation, arbitration, disciplinary, or other official action arising from the firm's underwriting, underwriting practices, management, or the purchase, sale, or distribution of taxable or tax-exempt municipal securities or other governmental obligations (other than individual retail customer claims) by the SEC, FINRA, California Department of Business Oversight, or any other governmental or securities industry-based regulatory agencies? **If yes, please attach additional information. (Does not count towards 15 page limit)**  Yes  No
8. Within the past 3 months, has the firm, any of its principals, or its parent company been convicted of any crime related to the conduct of the firm's business or been assessed or paid judgments in excess of \$1 million related to the conduct of the firm's business? **If yes, please attach additional information. (Does not count towards 15 page limit)**  Yes  No

**CREDIT DEFAULT SWAPS**

Yes      No  
     

9. Within the past 3 months, pursuant to its credit default swap market-making activities, has the firm entered into any State of California credit default swaps (“CDS”)? If yes, please include as an attachment the following information:
- c. The firm’s cumulative notional volume of State of California CDS trades for the most recently ended 3-month period.
  - d. The firm’s outstanding gross and net notional amount of State of California CDS as of the end of the current 3-month period.

10. Within the past 3 months, pursuant to its proprietary trading activities, has the firm entered into any proprietary trades for its own account in State of California CDS? If yes, please include as an attachment the following information:
- c. The firm’s outstanding gross and net notional amount of proprietary State of California CDS (and whether the net position is short or long credit protection) as of the end of the current 3 month period.
  - d. List all times during the past 3 months during which, the firm held net long or net short proprietary credit protection positions, the amount of such positions, and whether those positions were net-long or net-short credit protection positions.

11. Within the past 3 months, has the firm released any publicly available research or marketing reports that reference State of California CDS? If yes, please include the report(s) as an attachment.

**ADDITIONAL DOCUMENTATION**

Please check one of the following boxes:

- Attached are the firm’s most recent 10-K and 10-Q legal proceedings sections, as well as the Disclosure Event section of the firm’s FINRA BrokerCheck report.
- Attached is the Disclosure Event section of the firm’s FINRA BrokerCheck report. The firm is not required to submit a 10-K or 10-Q legal proceedings sections by the SEC.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Signature  
(Printed Name)  
\_\_\_\_\_  
(Job Title)  
\_\_\_\_\_

**BOND CAMPAIGN CONTRIBUTION AND SERVICES PROHIBITION  
2017 – 2019 UNDERWRITER POOL  
INITIAL CERTIFICATION**

State of California  
Office of the State Treasurer

1. I certify that, ENTER FIRM NAME has in place a policy or procedure requiring that ENTER FIRM NAME or any municipal finance professional\* associated with ENTER FIRM NAME will not accept any municipal securities business with a municipal entity in California within two years of any contribution\*\* made or provided after the date of this certification by ENTER FIRM NAME or any municipal finance professional associated with ENTER FIRM NAME to a bond ballot campaign for bonds of the municipal entity.
2. I understand that the firm will be required to certify each quarter that it has a policy or procedure in place AND that the policy or procedure has not been violated. Failure to maintain this policy or procedure, or a violation of such policy or procedure may result in the firm being removed from the 2017-2019 Underwriter pool.
3. I certify that I am authorized to sign this certification on behalf of ENTER FIRM NAME.

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

\_\_\_\_\_

Printed Name

\_\_\_\_\_

Job Title

\* The following terms shall be defined as provided in Rule G-37 issued by the Municipal Securities Rulemaking Board: (1) municipal finance professional; (2) bond ballot campaign; (3) municipal securities business; and (4) municipal entity.

\*\* “Contribution” includes contributions of cash or in-kind services or the provision of bond campaign services either directly or indirectly through or by any other person or means, but does not include a contribution made in an election in which the municipal finance professional is entitled to vote and the contributions, in total, are not in excess of \$250. Bond campaign services includes, but is not limited to, fundraising, public opinion polling, election strategy and management, organization of campaign volunteers, get out the vote services, development of campaign literature, and advocacy materials. Bond campaign services does not include either of the following: (1) advice and support related to the preparation of the bond measures, tax rate statements and other documentation required for board approval; or (2) public opinion polling, or other pre-election services including legal services, that are for purposes of gathering information regarding, and evaluating the potential for, the adoption of the bond measure by the electorate before any action by the governing body to place the measure before the electorate.

**BOND CAMPAIGN CONTRIBUTION AND SERVICES PROHIBITION  
2017 – 2019 UNDERWRITER POOL  
QUARTERLY CERTIFICATION**

State of California  
Office of the State Treasurer

1. I certify that, for the three month period ending on March 31, ENTER FIRM NAME had in place a policy or procedure requiring that ENTER FIRM NAME or any municipal finance professional\* associated with ENTER FIRM NAME will not accept any municipal securities business with a municipal entity in California within two years of any contribution\*\* made or provided after the date of your Initial Certification by ENTER FIRM NAME or any municipal finance professional associated with ENTER FIRM NAME to a bond ballot campaign for bonds of the municipal entity.
2. I certify that, to the best of my knowledge, for the three-month period ending March 31, ENTER FIRM NAME and any municipal finance professional associated with ENTER FIRM NAME did not violate the firm's policy or procedure described in Paragraph 1.
3. I understand that failure to have such policy or procedure in place, or a violation of such policy or procedure, for the three-month period ending March 31 may result in the firm being removed from the underwriter pool.
4. I certify that I am authorized to sign this certification on behalf of ENTER FIRM NAME.

ENTER DATE

Date

Signature

ENTER NAME

Printed Name

ENTER JOB TITLE

Job Title

\* The following terms shall be defined as provided in Rule G-37 issued by the Municipal Securities Rulemaking Board: (1) municipal finance professional; (2) bond ballot campaign; (3) municipal securities business; and (4) municipal entity.

\*\* "Contribution" includes contributions of cash or in-kind services or the provision of bond campaign services either directly or indirectly through or by any other person or means, but does not include a contribution made in an election in which the municipal finance professional is entitled to vote and the contributions, in total, are not in excess of \$250. Bond campaign services includes, but is not limited to, fundraising, public opinion polling, election strategy and management, organization of campaign volunteers, get out the vote services, development of campaign literature, and advocacy materials. Bond campaign services does not include either of the following: (1) advice and support related to the preparation of the bond measures, tax rate statements and other documentation required for board approval; or (2) public opinion polling, or other pre-election services including legal services, that are for purposes of gathering information regarding, and evaluating the potential for, the adoption of the bond measure by the electorate before any action by the governing body to place the measure before the electorate.

**DOCUMENT TO BE COMPLETED BEGINNING WITH JUNE 30, 2017 AND EVERY QUARTER THEREAFTER**

(FIRM NAME)  
**QUARTERLY DISCLOSURE REPORT CERTIFICATION**  
State of California  
Office of the State Treasurer

I, (Person's Name), (Job Title), certify as follows:

I am authorized to execute this Certification on behalf of (FIRM NAME).

The firm is interested in providing underwriting services to the State of California and has submitted a Statement of Qualifications to the State Treasurer's Office in order to be considered for placement in the underwriting pool, which may provide such services.

In the Statement of Qualifications, the firm has responded to questions regarding the firm's ability to meet all minimum qualifications as defined in Section III. of the Request for Qualifications; Licensing, Registration, Disciplinary Action, and Litigation (Attachment E or F), and Bond Campaign and Services Prohibition (Attachment G), as specified, in connection with offerings of taxable or tax-exempt municipal securities or other governmental obligations in California transactions and nationwide.

The firm agrees to provide quarterly updates no later than 30 days after March 31, June 30, September 30, and December 31 to the State Treasurer's Office regarding changes to the information submitted in its Statement of Qualifications, including information in regards to meeting the minimum qualifications and legal proceedings originating after submission of the Statement of Qualifications by submitting an updated Quarterly Disclosure Report. I understand that if the firm fails to submit the Quarterly Disclosure Report along with the appropriate documentation within one week of the required date, the firm may be suspended from the underwriter pool and would be required to request reinstatement.

I certify that I have reviewed the requirements for updating the State Treasurer's Office regarding the content of the firm's Statement of Qualifications and legal proceedings as outlined in the Request for Qualifications, and I agree, on behalf of the firm, to fulfill the requirements outlined therein.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Job Title)

**EXPATRIATE CORPORATIONS CERTIFICATION**  
(Public Contract Code Sections 10286 and 10286.1)  
State of California  
Office of the State Treasurer

California Public Contract Code Section 10286.1, generally provides that a State agency may not enter into any contract with an expatriate corporation or its subsidiaries unless the State Treasurer waives, in writing, the prohibition against contracting with such an entity upon a finding that the contract is necessary to meet a compelling public interest.

Pursuant to Public Contract Code Section 10286.1, the State Treasurer’s Office will not contract or otherwise do business – absent a compelling public interest – with publicly held U.S. expatriate corporations. This policy is designed to ensure that companies with which the State Treasurer’s Office does business meet threshold standards of corporate accountability.

Please check one of the following two paragraphs and sign below:

- 1.  We are not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and are eligible to contract with the State of California.

**OR**

- 2.  We are an expatriate corporation but we have received written permission from the State Treasurer.

**CERTIFICATION:**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer to the clause chosen above. This certification is made under the laws of the State of California.

The firm is incorporated in:

City,	ST
-------	----

DATE: \_\_\_\_\_

\_\_\_\_\_  
Signature  
(Printed Name)

\_\_\_\_\_  
(Job Title)

**DARFUR CONTRACTING ACT**  
State of California  
Office of the State Treasurer

Pursuant to Public Contract Code Section 10478, if a proposer currently, or within the previous three years has had business activities, or other operations outside of the United States, it must declare that it is not a “scrutinized” company as defined in Public Contract Code Section 10476.

Please check **one** of the following three paragraphs and sign below:

1.  We do not currently have, or we have not had within the previous three years, business activities, or other operations outside of the United States.

**OR**

2.  We are a scrutinized company as defined in Public Contract Code Section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code Section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

**OR**

3.  We currently have, or we have had within the previous three years, business activities, or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code Section 10476.

**CERTIFICATION:**

**I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer to the clause listed above. This certification is made under the laws of the State of California.**

\_\_\_\_\_  
Firm Name

DATE: \_\_\_\_\_

\_\_\_\_\_  
Signature



**IRAN CONTRACTING ACT**  
(Public Contract Code Sections 2202-2208)  
 State of California  
 Office of the State Treasurer

Prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of \$1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services (“DGS”) pursuant to Public Contract Code Section 2203(b) and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code Section 2203(c) or (d).

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete **one** of the options below. Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code Section 2205.)

**OPTION #1 – CERTIFICATION**

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

<i>Vendor Name/Financial Institution (Printed)</i>		<i>Federal ID Number (or n/a)</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in</i>	

**OPTION #2 – EXEMPTION**

Pursuant to Public Contract Code Sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

<i>Vendor Name/Financial Institution (Printed)</i>		<i>Federal ID Number (or n/a)</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>	<i>Date Executed</i>	

**Document to be completed upon each qualifying appointment.**

INVESTMENT PROTECTION STANDARDS CERTIFICATION  
State of California  
Office of the State Treasurer

Name of Firm: \_\_\_\_\_

The Investment Protection Standards (the “Standards”) apply to all financial organizations doing business with the State of California. The Standards are available on the STO website at [http://www.treasurer.ca.gov/corp\\_reform/ips/Invest\\_Protect\\_Std.pdf](http://www.treasurer.ca.gov/corp_reform/ips/Invest_Protect_Std.pdf).

1. Does the firm provide equity research **AND** investment banking services to any client?

Yes       No

If the answer to question 1 is “No,” complete the signature block below and return with the firm’s SOQ. No further action is required.

2. If the answer to question 1 is “Yes,” the firm provides equity research AND investment banking services to any client, the firm shall describe how the firm will implement and comply with each of the substantive provisions of the Standards within the timeframes set forth in Section II, paragraph 5 of the Standards. In providing its response, the firm must use **IPS Exhibit 1 (available on the STO website at [http://www.treasurer.ca.gov/corp\\_reform/ips/exhibit1.pdf](http://www.treasurer.ca.gov/corp_reform/ips/exhibit1.pdf))**. The firm may propose a specific alternative method for complying with one or more of the Standards, which will be considered only if such alternative method is consistent with the intent of the Standards and achieves the same substantive objective.

**Note: Incomplete responses will be rejected.**

A senior officer of the firm, with requisite authority to sign on behalf of the firm, must sign this certification. Please return the certification and the required attachments with the SOQ.

Information completed and certified by:

DATE: \_\_\_\_\_

\_\_\_\_\_  
Signature  
(Printed Name)

\_\_\_\_\_  
(Job Title)

MINIMUM QUALIFICATIONS CERTIFICATION
SENIOR MANAGER, JOINT SENIOR MANAGER, CO-SENIOR MANAGER, AND
CO-MANAGER APPOINTMENTS
STATE BOND ISSUES
State of California
Office of the State Treasurer

Firms seeking appointments to bond and note transactions issued by the State of California, the SPWB, and other State agencies (excluding State conduit financing authority transactions) (collectively "State Bond Issues") in the senior manager, joint senior manager, co-senior manager, and co-manager capacity must meet at least one of the following:

1. [ ] The firm's headquarters are located in California.
If the firm meets this criterion, please provide the street address of the firm's headquarters:
Address: Street Address, City, ST ZIP
Phone: ( ) - Extension

OR

2. [ ] The firm is certified as a Disabled Veteran Business Enterprise by the State of California, Department of General Services.

OR

3. [ ] The firm employs at least one dedicated public finance investment banker that lives and works in California, that has at least two years of experience as a public finance investment banker, and that holds a Series 52, 53, or 7 (Series 7 passed on or before November 6, 2011).
Please provide the name and street address of the public finance investment banker:
Name: Name of public finance investment banker
Address: Street Address, City, ST ZIP
Phone: ( ) - Extension
City of Residence:
Please attach a resume for this individual and a copy of their Series 52, 53, or 7 (Series 7 must have been passed on or before November 6, 2011) license.
Firms with more than one public finance investment banker in California need only list one to qualify.

OR

4. [ ] The firm has traded \$100 million or more of State of California fixed rate General Obligation bonds (base CUSIPs: 130624, 130625, 130626, 130627, 130628, 130629, 13062N, 13062P, 13062R, 13062T, 13063A, 13063B, and 13063C) in the secondary market in the State's previous fiscal year.

Please attach documentation for the State's most recent fiscal year to support this certification.

Firms not meeting at least one of the above criteria may only be considered for appointment to State Bond Issues as a selling group member.

I have reviewed the 'Additional Minimum Qualifications' and certify, on behalf of the firm, that the firm meets those qualifications. I understand the State Treasurer's Office will make the final determination on my firm's qualifications.

DATE:

Signature
(Printed Name)

(Job Title)

**MINORITY BUSINESS ENTERPRISE AND  
WOMEN'S BUSINESS ENTERPRISE CERTIFICATION**

State of California  
Office of the State Treasurer

This form certifies the firm as a Minority Business Enterprise (MBE) or Women's Business Enterprise (WBE) with the California State Treasurer's Office. This certification is strictly voluntary.

Instructions: Please answer all questions carefully. If a question does not apply to the firm or circumstances, please enter "N/A."

**1. Firm Name:** \_\_\_\_\_

Home Office Address:

\_\_\_\_\_ Street

\_\_\_\_\_ City/State

\_\_\_\_\_ Zip Code

Telephone Number(s):

\_\_\_\_\_ (Area Code) Number

\_\_\_\_\_ Fax (Area Code) Number

California Address:

\_\_\_\_\_ Street

\_\_\_\_\_ City/State

\_\_\_\_\_ Zip Code

California Telephone:

\_\_\_\_\_ (Area Code) Number

\_\_\_\_\_ Fax (Area Code) Number

**2. Name of Firm President / Chief Executive Officer / Managing Partner:**

\_\_\_\_\_ First Name

\_\_\_\_\_ MI

\_\_\_\_\_ Last Name

\_\_\_\_\_ Title

**3. Name and Title of Person Completing this Application:**

\_\_\_\_\_ First Name

\_\_\_\_\_ MI

\_\_\_\_\_ Last Name

\_\_\_\_\_ Title

**4. Certified Status Requested:**

Minority Business Enterprise (MBE)

Women Business Enterprise (WBE)

**SMALL BUSINESS ENTERPRISE PROGRAM\***

**Application**

State of California

Office of the State Treasurer

If the firm meets the State Treasurer’s definition of a Small Business Enterprise, Section IV.H. (STO Small Business Enterprise Program), please complete this form. If you have any questions, please contact Christina Sarron at (916) 653-2668, or via email at [csarron@treasurer.ca.gov](mailto:csarron@treasurer.ca.gov).

Firm Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

- 1. Is the business independently owned and operated? If not, please also complete an SBE Program Application for the parent company.

Yes  No

- 2. If yes, provide the firm’s ownership structure, including principal owners:

\_\_\_\_\_

- 3. Please provide the firm’s annual gross receipts for the previous three most recently completed fiscal or taxable years:

Year: \_\_\_\_\_ Gross receipts: \_\_\_\_\_

Year: \_\_\_\_\_ Gross receipts: \_\_\_\_\_

Year: \_\_\_\_\_ Gross receipts: \_\_\_\_\_

- 4. Please attach audited financial statements for the previous three most recently completed fiscal or taxable years. Gross receipt figures must match what has been represented on this application.

**I have reviewed the qualifications for participation in the State Treasurer’s Office Small Business Enterprise Program, and I certify, on behalf of the firm, that the firm meets those qualifications. I understand the State Treasurer’s Office will make the final determination regarding my firm’s small firm status.**

DATE: \_\_\_\_\_

\_\_\_\_\_  
Signature  
(Printed Name)

\_\_\_\_\_  
(Job Title)

\*Membership in the SBE program does not guarantee an appointment to a bond sale and used exclusively by the STO.

**ISSUERS**  
State of California  
Office of the State Treasurer

The State, State agencies, and State conduit financing authorities as described in Section I are listed below, please indicate the issuers for which the firm wishes to be considered for appointment.

- State, State Public Works Board, joint powers authorities, and various State agencies (State Bond Issuers). **Firms seeking appointment as a senior manager, co-senior manager, or co-manager on State Bond Issues must complete Attachment N.**
- California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)
- California Earthquake Authority (CEA)
- California Educational Facilities Authority (CEFA)
- California Health Facilities Financing Authority (CHFFA)
- California Infrastructure and Economic Development Bank (I-Bank)
- California Pollution Control Financing Authority (CPCFA)
- California School Finance Authority (CSFA)
- California Transportation Financing Authority (CTFA)

FIRM CONTACTS
State of California
Office of the State Treasurer

Please notify the STO of any changes to this form at InvestorRelations@treasurer.ca.gov.

Primary Contact with State Treasurer's Office

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Contact to receive all RFQs

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Chairman of the Board (or comparable position)

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Chief Executive Officer (or comparable position)

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Head of Public Finance Department (or comparable position)

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Compliance Contact (Quarterly Disclosures, etc.)

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Trader - Auction Rate (or comparable position)

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Trader - Fixed Rate (or comparable position)

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Trader - Variable Rate (or comparable position)

Name:
Title:
Address:
City/State/Zip:
Phone:
Fax:
Email Address:

Buy California Bonds website Investor Contact Information\*

Name:
Phone:
Hyperlink:

\*This information will be published on the www.buycaliforniabonds.com Broker webpage in the event the firm is selected as a financing team or selling group member.

**SELLING GROUP PARTICIPATION**  
**Buy California Bonds Program**  
State of California  
Office of the State Treasurer

In an effort to increase retail investor participation, the State Treasurer's Office implemented the Buy California Bonds (BCB) Program. The BCB program includes radio and print advertising, the [www.buycaliforniabonds.com](http://www.buycaliforniabonds.com) website, and increased selling group participation. The website provides information to retail investors on the buying process, specific information related to the bond sale, and provides links to participating brokers.

Please indicate below the bond programs for which the firm would like to be considered for future selling group member appointments.

- State of California General Obligation Bonds
- Lease Revenue Bonds
- Revenue Anticipation Notes
- Various Purpose Revenue Bonds
- Not interested at this time *(Please be advised: if your firm chooses not to participate as a selling group member AND does not complete/qualify for Attachment N the firm will not be considered for appointment to State Bond Issues)*

Is the firm willing to open new accounts for individual investors?

Yes  No