

**City of Los Angeles  
Responsible Banking & Investment Monitoring Program  
For Investment Banks**

Investment banks providing City investment banking services or seeking City investment banking business must complete and submit this form no later than July 1<sup>st</sup> of each year to the City Administrative Officer to comply with Chapter 5.1, Section 20.95.1 of the Los Angeles Administrative Code.

**Contact Information:**

BofA Securities, Inc.

Name of Financial Institution

333 South Hope Street, Suite 3820      Los Angeles   CA      90071

Street Address

City

State

Zip Code

Bradford Walker, Director

Contact Person Name and Title

(415) 913-2328

bradford.walker@bofa.com

Telephone No.

Email Address

**SOCIAL RESPONSIBILITY**

Please answer the following questions for the preceding calendar year.

1. Did your firm make monetary donations to charitable programs within the City limits?

Yes \_\_\_ No X

If yes, please complete the attached form, labeled at Exhibit 1.

2. Did your firm provide any scholarship awards to residents of the City of Los Angeles?

Yes \_\_\_ No X

- a. How many scholarships were awarded? \_\_\_\_\_  
b. What was the total value of the awarded scholarships? \_\_\_\_\_

3. Does your firm have internal policies regarding utilization of subcontractors which are designated as "women owned," "minority owned," or "disabled" business enterprises? Yes \_\_\_ No X

If yes, please provide a copy of your policies, labeled as Exhibit 2

**CONSUMER PROTECTION**

1. Is the financial institution currently in compliance with all applicable consumer financial protection laws?

Yes \_\_\_ No

If no, please briefly explain: Policy, procedures, systems, and controls are in place to comply with all Consumer Protection Laws. Through normal testing and monitoring routines, we may identify instances of non-compliance, which are addressed through risk identification, escalation and resolution routines

2. Does the financial institution have policies to prevent the use of illegal predatory consumer adverse sales goals as the bases for evaluation, promotion, discipline or compensation of employees?

Yes  No \_\_\_

If no, please briefly explain: \_\_\_\_\_

\_\_\_\_\_

3. Does the financial institution encourage and maintain whistleblower protection policies for its employees and/or customers to report suspected illegal practices, including predatory sales goals?

Yes  No \_\_\_

If no, please briefly explain: \_\_\_\_\_

\_\_\_\_\_

4. In the last five years, has the financial institution been subject to any disciplinary actions such as fines, suspensions, or settlements, undertaken by the Securities and Exchange Commission, the Consumer Financial Protection Bureau, the Municipal Securities Regulation Board, the Financial Industry Regulatory Agency and/or any State regulatory agency?

Yes  No \_\_\_

5. If the answer to question no. 4 is yes, please provide in separate attachment labeled Exhibit 3, what the violation(s) are, the reason for the enforcement action, what government agencies are involved, the date of the enforcement action, what is the current status, and how were or will the issues be resolved?

\_\_\_\_\_

\_\_\_\_\_

**CERTIFICATION UNDER PENALTY OF PERJURY (\*)**

I certify under penalty of perjury that I have read and understand the questions contained in this form and the responses contained in the form and on all the attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this form is true and accurate to the best of my knowledge and belief.

Bradford Walker Director

6/21/2021

Print Name Title

Signature

Date



(\*) Signature must be that of the Head of Public Finance or equivalent corporate executive.

**PLEASE SEND THE ORIGINAL SIGNED FORM TO THE ADDRESS BELOW AND EMAIL A COPY TO [CAO.DEBT@LACITY.ORG](mailto:CAO.DEBT@LACITY.ORG).**

**Office of the City Administrative Officer  
200 North Main St. Room 1500  
Los Angeles, CA 90012  
Attention: Debt Management Group**



**Exhibit 3:**

On May 11, 2019, BofA Securities, Inc. ("BofA Securities") agreed with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") to assume the assets and liabilities of the Global Banking and Markets business previously conducted by MLPF&S, including the regulatory and legal matters below.

In the ordinary course of business, BofA Securities is subject to regulatory examinations, information gathering requests, inquiries, and investigations ("Regulatory Inquiries") by various federal or state securities regulatory agencies and attorneys general, other local, state, and federal agencies, law enforcement, and self-regulatory organizations (collectively, "Regulators"); and is on occasion a defendant in or party to pending threatened legal actions and proceedings. In connection with formal and informal Regulatory Inquiries, BofA Securities receives numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of their regulated activities, and in some cases regulatory action has been taken against BofA Securities. BofA Securities believes that it has cooperated fully with the Regulators in all such inquiries to date and intends to continue to cooperate fully with the Regulators in all such inquiries involving BofA Securities in the future.

Bank of America Corporation (the "Corporation"), BofA Securities' ultimate parent, makes all required disclosures in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which are updated in Reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission ("SEC") ("Regulatory Filings"). BofA Securities makes all required disclosures in its Form BD and ADV filings ("Form BD and ADV Filings") with the Financial Industry Regulatory Authority ("FINRA"). Those Regulatory Filings and Form BD and ADV Filings include disclosures of Regulatory Inquiries as required by federal law and applicable regulations. The Regulatory Filings are publicly available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Form BD Filings are publicly available on the FINRA BrokerCheck system at <http://brokercheck.finra.org/>. The Form ADV filings are publicly available on the SEC's Investment Adviser Search website at: <http://www.adviserinfo.sec.gov/IAPD/default.aspx>.

The Corporation cannot confirm or deny the existence of any other, non-public Regulatory Inquiry conducted by any Regulator unless required to do so by law.

Please note the following public matters involving BofA Securities' public finance business over the past five (5) years:

***Municipalities Continuing Disclosure Cooperation Initiative***

On June 18, 2015, MLPF&S entered into a settlement with the SEC in connection with the SEC's Municipalities Continuing Disclosure Cooperation ("MCDC") Initiative pursuant to an order and standardized settlement terms. MLPF&S, along with 71 other municipal underwriting firms,

which did not admit or deny the findings, agreed to (i) cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act of 1933, (ii) pay a \$500,000 civil penalty, (iii) retain an independent consultant to review its policies and procedures on due diligence for municipal securities underwriting and (iv) comply with certain undertakings in connection with the retention of such consultant.

### ***Municipal Bond Underwriting False Claims Act Lawsuits***

Since January 2016, the Corporation has been served, along with a number of other banks, with lawsuits brought by Roger Hayes and Talbot Heppenstall (the “Relators”) in Illinois, California, New Jersey and New York under those state’s respective False Claims Acts. In each case, the Relators allege that the defendants falsely represented to state and municipal officials that they would obtain the lowest yields/highest prices for new negotiated municipal bond offerings in order to secure underwriting engagements for those offerings. The Illinois lawsuit was dismissed by the trial court without prejudice in September 2017. The California lawsuit was dismissed by the trial court with prejudice in March 2019. The New Jersey lawsuit was dismissed by the trial court without prejudice in early May 2019. The Relators voluntarily discontinued the New York lawsuit in June 2019. To date, the Attorney Generals of each of the states have declined to join in the lawsuits.

### ***VRDO False Claims Act Lawsuits***

Since November 2017, the Corporation has been served, along with a number of other banks, with lawsuits brought by Edelweiss Fund, LLC (“Edelweiss”) in Illinois, California, Massachusetts and New York under those state’s respective False Claims Acts. In February 2019, the Massachusetts state court permitted the substitution of Bjorn Johan Rosenberg for Edelweiss as the relator in the case. In each case, Edelweiss and Rosenberg purport to assert claims that the defendants engaged in a coordinated “robo-setting” scheme under which they allegedly set the rates for Variable Rate Demand Obligations (“VRDOs”) mechanically in order to keep the rates artificially high and thereby reduce the chances of having to remarket the bonds. The Massachusetts lawsuit was dismissed by the trial court in July 2019. To date, the Attorney Generals of each of these states have declined to join in the lawsuits.

### ***VRDO Antitrust Actions***

On February 20, 2019, the City of Philadelphia filed a putative antitrust class action complaint in the U.S. District Court for the Southern District of New York alleging that several of the Corporation’s affiliates and affiliates of six other large banks, acting in their capacity as remarketing agents for VRDOs, conspired between 2008 and 2016 to artificially inflate interest rates on VRDOs to the detriment of their municipal issuer customers. The complaint asserts causes of action (i) under Section 1 of the Sherman Antitrust Act and Sections 4 and 16 of the Clayton Antitrust Act, (ii) for breach of contract, and (iii) for unjust enrichment. On March 25, 2019, the Mayor and City Council of Baltimore, Maryland filed a similar class action antitrust complaint in the U.S. District Court for the Southern District of New York against several Bank of

America affiliates and affiliates of other banks. The trial judge has ordered the cases to be consolidated.

### **Puerto Rico Lawsuits**

On May 2, 2019, the Financial Oversight and Management Board for Puerto Rico (“FOMB”), as a representative of the Commonwealth and other debtor entities in the Puerto Rico bankruptcy, filed an adversary complaint in U.S. District Court for the District of Puerto Rico against Bank of America and numerous other financial institutions that served as underwriters on 17 bond issuances by the Commonwealth of Puerto Rico and its instrumentalities in the years leading up to the bankruptcy. The FOMB asserts claims against the underwriters for: (i) aiding and abetting breaches of fiduciary duty on the theory that the bonds deepened the Commonwealth’s insolvency and violated Puerto Rico’s constitutional debt limits, (ii) rescission of transfer under Puerto Rico and Federal Bankruptcy laws on the theory that the underwriters received fees in connection with the bonds without delivering any value to the Commonwealth because the bonds only increased the Commonwealth’s insolvency, (iii) unjust enrichment based on the fees the underwriters received in connection with the bonds, and (iv) breach of the underwriting agreements by insufficiently disclosing in the offering documents the compensation the underwriters received and potential conflicts of interest. The complaint also alleges that certain underwriters entered into interest rate swap agreements with the Commonwealth and asserts claims related to those swap agreements for (i) aiding and abetting breaches of fiduciary duty on the theory that the swap counterparties encouraged the Commonwealth to pass legislation allowing the swaps and then encouraged the Commonwealth to enter into the swaps in connection with bonds they underwrote, and (ii) unjust enrichment based on termination fees the swap counterparties received.

In addition, MBIA Insurance Corporation and National Public Finance Guarantee Corporation have brought lawsuits in a local court in Puerto Rico against Merrill Lynch and certain affiliates and 8 other underwriters for one or more bonds issued from 2001 to 2007 by the Commonwealth of Puerto Rico and its agencies. The plaintiffs allege that they were induced to insure the bonds based upon defendants assurances that they had reasonably investigated the statements in the Official Statements and that the underwriters had a reasonable basis for believing that the statements were true and complete. The complaint is based on 2 equitable doctrines of Puerto Rican law: *Doctrina de Actos Propios* (i.e., “doctrine of own acts,” which protects a third party who relies in good faith on the veracity of manifestations or actions of another); and *Unilateral Declaration of Will* (i.e., the creation of an obligation through a unilateral act in the form of a concrete promise on which others are intended to rely).

BofA Securities’ registered officers and employees make required disclosures in their Form U-4, which are filed with FINRA pursuant to a directive from the SEC. These Form U-4 filings are publicly available on the FINRA BrokerCheck system at <http://brokercheck.finra.org/>.