

**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:**

Multi-Bank Securities, Inc.  
Name of Financial Institution

1000 Town Center, Suite 2300      Southfield      MI      48075  
Street Address                                      City                                      State                                      Zip Code

Frank Paul, Senior Vice President  
Contact Person Name and Title

(800) 967-9015                                      fpaul@mbssecurities.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? N/A
- b. What was the total value of the awarded scholarships? N/A

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 X No \_\_\_

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

\_\_\_\_\_

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 X 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 X 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 X 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?

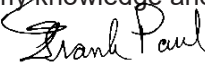
Please see attached.

\_\_\_\_\_

\_\_\_\_\_

**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.

Frank Paul	Senior Vice President		4-8-21s
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**

Dear Multi-Bank Securities, Inc. Client,

Thank you for performing your due diligence on Multi-Bank Securities, Inc. (MBS). We understand that this is a crucial part of building a trusting relationship with your broker, and we are more than happy to provide a response concerning your finding(s).

There are four items on our BrokerCheck report we would like to further explain.

The first incident was initiated by the State of Alabama on June 16, 1994. The incident occurred when MBS submitted a broker-dealer application to the State and incorrectly filled out the paperwork in the process. MBS paid a small fine, and Alabama vacated the denial order following the paperwork corrections.

The second incident was initiated by the Vermont Securities Division on June 12, 1997. MBS was cited for transacting business as an unregistered broker-dealer in Vermont. We paid a small fine, became registered in the State of Vermont and conduct business there today.

In the third incident, as the result of a sweep, FINRA found that our Firm failed to accurately report to TRACE certain inter-dealer transactions in a timely manner.

The citation states,

“Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report the correct time of trade execution for transactions in Trade Reporting and Compliance Engine (TRACE)-eligible securitized products within 15 minutes of the time of execution to TRACE; and failed to show the correct time of execution on the memorandum of brokerage orders.”

MBS paid a small fine without admitting or denying the facts as presented, and will continue to do business in the market of fixed-income securities. To prevent future events like this, we made changes to our supervisory policies and procedures to reduce redundant supervisory reviews. We reviewed and continue to review our inter-dealer relationships to ensure that trade times are reported, and to ensure that both parties contractually understand and agree to each transaction prior to creating a TRACE reporting obligation.

Finally, as a result of our 2014 and 2016 regular cycle examinations, FINRA took the position that during a specific period of time, on a specific form, there was language that could be potentially confusing to some municipal entities with respect to the capacity in which the Firm would be acting relative to the Municipal Advisor Rule. Additionally, FINRA took the position that the Firm’s Risk Management Controls outside of the Written Supervisory Procedures caused the Written Supervisory Procedures to be inadequate, and that the Firm needed to make specific reference to a particular rule during the annual CEO certification of compliance systems and controls.

We are proud of our customer compliance record and will continue to provide you the best in customer service. We thank you again for the opportunity to provide you with additional details. Should you have any questions or concerns, I can be reached directly at 1-800-967-9008, or by email at [melsner@mbssecurities.com](mailto:melsner@mbssecurities.com).

Sincerely,



Merlin Elsner  
Chief Compliance Officer  
Multi-Bank Securities, Inc.

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