

CITY OF LOS ANGELES

CALIFORNIA

Richard H. Llewellyn, Jr.

ASSISTANT
CITY ADMINISTRATIVE OFFICERS

CITY ADMINISTRATIVE OFFICER



PATRICIA J. HUBER
BEN CEJA
YOLANDA CHAVEZ

ERIC GARCETTI

MAYOR

May 23, 2018

0670-00037-0002

RE: COMMUNICATIONS REGARDING SWAPS

The undersigned special entity Counterparty ("CP") and representative ("Designated QIR") are providing this letter to swap dealers ("SD") in connection with Commodity Futures Trading Commission ("CFTC") rules¹ governing business conduct standards for swap dealers and other parties with respect to Swaps.²

CP hereby makes the following representations as of the date hereof:

- (1) CP has selected Designated QIR as a "qualified independent representative" within the meaning of CFTC Regulation 23.450;
- (2) CP has complied in good faith with written policies and procedures reasonably designed to ensure that Designated QIR satisfies the applicable requirements of CFTC Regulation 23.450(b)(1), and such policies and procedures provide for ongoing monitoring of the performance of such representative consistent with the requirements of CFTC Regulation 23.450(b)(1);
- (3) CP will not rely on any "recommendation" (as such term is used in CFTC Regulations 23.434 and 23.440) with respect to a Swap to be provided by SD;

¹ *Business Conduct Standards for Swap Dealers and Major Swap Participants With Counterparties*, 77 Fed. Reg. 9734 (Feb. 17, 2012).

² As used in this letter, "Swap" means a "swap," as defined in the Section 1a(47) of the Commodity Exchange Act and CFTC Regulation 1.3(xxx). The term also includes any foreign exchange swaps and foreign exchange forwards that may be exempted from regulation as "swaps" by the Secretary of the Treasury pursuant to authority granted by Section 1a(47)(E) of the Commodity Exchange Act. For these purposes, "Swap" includes a new swap and any material amendment, mutual unwind or novation of an existing Swap. The term "Swap" also includes any trading strategy involving a Swap.



- (4) CP will rely on advice from Designated QIR;
- (5) CP will exercise independent judgment in evaluating any "recommendations" to be provided by SD with regard to any Swap; and
- (6) SD has not expressed an opinion as to whether CP should enter into any Swap.

Designated QIR hereby makes the following representations as of the date hereof:

- (1) The true name and address of Designated QIR are set forth on the signature page of this letter;
- (2) Designated QIR has written policies and procedures reasonably designed to ensure that Designated QIR satisfies the applicable requirements of CFTC Regulation 23.450(b)(1);
- (3) Designated QIR is exercising independent judgment in evaluating all "recommendations" (as such term is used in CFTC Regulations 23.434 and 23.440) with respect to a Swap provided by SD that are presented to Designated QIR;
- (4) Unless Designated QIR otherwise notifies SD in writing:
 - a. Designated QIR is not and, within one year of representing CP in connection with a Swap with SD has not been, an "associated person" (as that term is defined in Section 1a(4) of the Commodity Exchange Act) of SD;
 - b. There is no "principal relationship" (as that term is defined in CFTC Regulation 23.450(a)(1) between Designated QIR and SD;
 - c. Designated QIR (i) provides timely and effective disclosures to CP of all material conflicts of interest that could reasonably affect Designated QIR's judgment or decision making with respect to Designated QIR's obligations to CP and (ii) comply with policies and procedures reasonably designed to manage and mitigate such material conflicts of interest;
 - d. Designated QIR is not directly or indirectly, through one or more persons, controlled by, in control of, or under common control with SD; and,
 - e. To the best of Designated QIR's knowledge, SD did not refer, recommend, or introduce Designated QIR to CP within one year of

Designated QIR's representation of CP in connection with any Swap with SD; and,

- (5) Designated QIR is legally obligated to comply with the applicable requirements of CFTC Regulation 23.450(b)(1) by agreement, condition of employment, law, rule, regulation, or other enforceable duty.

By signing this letter, CP and Designated QIR each hereby agree as follows:

- (1) Each representation made by it in this letter will be deemed to be repeated by it at the time of each recommendation provided by SD with respect to any Swap and each time SD offers to enter into, or enters into, any Swap with CP; and,
- (2) If any representation made by it in this letter becomes incorrect or misleading in any material respect, it will promptly correct and update such representation by notifying SD in writing at the email address provided below.

[Remainder of Page Left Intentionally Blank]

CP:

City of Los Angeles

By:  _____

Name: Benjamin Ceja

Title: Assistant City Administrative Officer

Designated QIR:

Public Resources Advisory Group

By: _____

Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

Montague DeRose & Associates, LLC

By: _____

Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

CP:

City of Los Angeles

By: _____
Name: Benjamin Ceja
Title: Assistant City Administrative Officer

Designated QIR:

Public Resources Advisory Group

By: Johanna Mortensen
Name: Johanna Mortensen
Title: Senior Managing Director

Address: 1999 Harrison St., Suite 1800, Oakland, CA 94612
Phone: 510-339-3217
Fax: 510-281-6815
E-mail: jmortensen@pragadvisors.com

Montague DeRose & Associates, LLC

By: _____
Name: _____
Title: _____

Address: _____
Phone: _____
Fax: _____
E-mail: _____

CP:

City of Los Angeles

By: _____

Name: Benjamin Ceja

Title: Assistant City Administrative Officer

Designated QIR:

Public Resources Advisory Group

By: _____

Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

Montague DeRose & Associates, LLC

By: DCMR

Name: DOUGLAS MONTAGUE

Title: PRINCIPAL

Address: 2801 TOWNSGATE RD., STE. 221, WESTLAKE VILLAGE, CA 91361

Phone: 805-496-2211

Fax: 805-496-8077

E-mail: DMONTAGUE@MONTAGUEDEROSE.COM

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