

**Response to Request for Proposal #1427
For
Municipal Debt Financial Advisory Services**

Regional Transportation Authority



A.C. Advisory, Inc.

**RFP Contact Person:
Adela Cepeda, President
150 N. Wacker, Suite 2160
Chicago, IL 60606**

A Minority and Woman Owned Business

Submitted: September 7, 2012

**S.E.C. Municipal Advisor Registration Number: 866-00166-00
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September 7, 2012

Edward Gronkowski, Manager
Procurement & Contracting
175 West Jackson Boulevard, Suite 1650
Chicago, IL 60604

Dear Mr. Gronkowski,

Thank you for the opportunity to respond as financial advisor to The Regional Transportation Authority's ("the RTA") request for proposal for financial advisory services. A.C. Advisory, Inc. would be privileged to continue to assist the RTA. A.C. Advisory served as financial advisor to the RTA on its January 2010 competitive sale of \$62.175 million in tax-exempt bonds and \$112.925 million in Build America bonds. We are confident of our ability to handle any assignment successfully because of the track record we have established with issuers over the last 30 years. The Firm agrees to perform the services as described in the RFP and RTA's standard agreement.

During the last 30 years the professionals at A.C. Advisory have established a thorough and extensive track record with issuers, serving as advisors and bankers to numerous corporations raising capital in the debt and equity markets. Our broad experience covering both municipal and corporate financings, as well as a range of structures beyond conventional municipal bonds, has been critical for clients requiring creative, strategic advice. We have had the privilege of serving as financial advisor to the RTA on its first BAB transaction.

We have served as financial advisor to the Chicago O'Hare and Midway International Airports, Chicago Transit Authority and the Illinois Tollway Authority for many years, therefore we understand the RTA, its statutory structure, its portfolio of borrowings and the work to be performed. We believe our Firm is uniquely experienced and positioned to assist with all aspects of its capital program including the analysis of financing alternatives, structuring bonds to meet both the RTA and public transportation objectives, lead discussions with the rating agencies and potential credit enhancers and leverage our strong relationships with the leading underwriters to minimize the RTA's borrowing costs.

A.C. Advisory has completed over \$100 billion of municipal financings since the Firm was founded in 1995. According to Thomson Reuters, the Firm was ranked ninth in the nation in 2011 and third in the State of Illinois. The Firm's role as financial advisor for New York City and its related entities ensures that we are informed of the most innovative financing techniques in the industry. Furthermore, as advisor to one of the most active borrowers in the nation, our Firm is accessing the market to raise funds on a monthly basis, and is current on all key market trends and dynamics.

The firm has advised on over \$12.2 billion of transportation financings, providing our firm professionals with strong technical and bond restructuring capabilities. We have leveraged these skills for numerous transportation agencies, including Illinois Regional Transportation Authority, Chicago Transit Authority, Illinois Tollway Authority, the State of Connecticut Special Tax Obligation Program (Transportation Credit), and the New Jersey Transportation Trust Fund Authority. The Firm also has considerable expertise with revenue financings and has structured fixed rate bonds and notes, floating rate bonds, and capital appreciation bonds for our clients.

A.C. Advisory is nationally recognized for its commitment to clients, as well as its market and pricing acumen, innovative product development, rigorous quantitative analysis, and lucid idea evaluation. **Since 2005, A.C. Advisory is the ONLY minority woman-owned firm to be listed among the top-ten financial advisors in the nation.** As an independent financial advisor, A.C. is proud of the relationships we have developed with our clients and would consider it a privilege to serve as financial advisor to the Regional Transportation Authority.

A.C. Advisory has the necessary people and analytic tools required to properly structure any transaction. The Firm's strengths can be summarized into two areas – our local experience and our client and project approach. The Firm has significant experience evaluating revenue opportunities and working on large public projects, such as the Cook County Hospital, the Metropolitan Pier facilities, Soldier's Field, colleges, public schools (for which we have helped raise over \$6 billion) and numerous Chicago park projects. The projects we have financed are complex in nature; they involve hedges, reinvestment agreements, equity contributions, restructuring of reserve funds, tax increment financings, developer agreements and more. They are typically multi-government in nature (i.e., Chicago Transit Authority; City of Chicago and City Colleges; State of Illinois, City of Chicago and Metropolitan Pier; and the Federal Government; City of Chicago and Chicago Park District). These projects have also required combined revenue sources, intergovernmental agreements and complex structuring around given constraints. Our local experience and past history with the CTA, O'Hare and Midway Airports, and the City of Chicago has given us a unique insight into the local political situation and all the local stakeholders which will be crucial to a smooth and efficient project execution for the RTA.

Sincerely,



Adela Cepeda, President
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Chicago, IL 60606
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5.2 Experience and Qualifications

The relevant experience of your firm and the proposed employees or sub-consultants should be identified, including background and previous assignments that make them qualified to perform the services described.

The A.C. Advisory team offers the Regional Transportation Authority a unique combination of skills and expertise. **A.C. Advisory is a nationally ranked financial advisory firm with extensive experience in the transportation sector, having worked on over \$12.2 billion of transportation related issues with some of the largest transportation issuers in the country.** Included among our clients are the Illinois State Toll Highway Authority, City of Chicago O'Hare International Airport, City of Chicago Midway International Airport, Chicago Transit Authority, State of Connecticut's Special Tax Obligation ("STO") program that finances the Department of Transportation, and the State of New Jersey Transportation Trust Fund Authority. **A.C. Advisory is the only minority owned firm to be recognized as a top ten financial advisor in the nation since 2005.** The Firm has executed over \$100 billion of financings on behalf of municipalities since its inception in 1995, including \$29.9 billion in the State of Illinois. Our role as financial advisor for the State of Illinois and its related entities is a cornerstone of our business, ensuring that we are informed of the most unique and innovative financing techniques in the industry. According to Thomson Reuters, in 2011, the Firm was ranked ninth in the nation, and third in the State of Illinois.

As a full service independent financial advisory firm, A.C. Advisory is positioned to help the RTA with all aspects of its capital program including analyzing financing alternatives, structuring bonds to meet its objectives, evaluating legal terms to advocate on behalf of the RTA, working seamlessly with the core financing team, leading discussions with the rating agencies and potential credit enhancers and leveraging our strong relationships with the leading underwriters as well as our deep bank credit analysis experience to minimize the RTA's borrowing costs.

Our services encompass developing strategic recommendations on capital funding, financing plans, evaluating financing alternatives and underwriter proposals for the sale of the bonds, providing structuring recommendations, preparing rating agency materials, soliciting credit facilities, and assisting at pricing. At closing we provide a thorough review of all figures and amounts in the legal documentation, including tax levies and abatement amounts, and a review of the underwriting syndicate's performance.

A.C. Advisory has advised on over 95 taxable municipal issues, representing approximately \$20 billion of taxable financings, including \$13 billion of Build America Bonds. Our significant experience in advising on Build America Bond issues enabled our Firm to rank fourth nationally on federal stimulus financings in 2010.

A.C. Advisory professionals have managed competitive transactions for our clients including the Regional Transportation Authority of Illinois, and the State of Illinois the State of Connecticut, the City of New York, and New York City Educational Construction Fund. The Firm has leveraged our quantitative expertise to independently structure, size, and bid 44 competitive issues, representing \$6.4 billion worth of bonds since 1995. **In January 2010, our Firm last assisted the Regional Transportation Authority of Illinois to competitively issue \$62.175 million tax-exempt bonds and \$112.925 million in Build America bonds.**



Regional Transportation Authority (RTA): A.C. Advisory has had the privilege of serving as financial advisor to the RTA in its January 2010 competitive sale of \$62.175 million in tax-exempt bonds and \$112.925 million in Build America bonds. Upon the recommendation of the Firm, the RTA was able to attract significant investor interest by selling the Series 2010A tax-exempt bonds in the front end with a 10 year par call while selling Series 2010B Build America Bonds in the back end with a make whole call provision. Based on our analysis, the Series 2010A Bonds were structured in the short end of the yield curve to appeal to retail investors and traditional tax-exempt investors while providing the most benefit to the issuer due to historically low rates. The Series 2010B Bonds were structured to appeal to a broad base of institutional investors, a group that prefers to invest in taxable bonds and longer dated maturities.

In addition to determining the optimal bond structure for the RTA's transaction, A.C. Advisory advised the RTA on the benefits of a competitive sale to sell the bonds. A.C. Advisory also had the role of coordinating the time schedule and market research for timing of the pricings. We assisted and verified in the PARITY account set-up. We coordinated the surety bond process, rating agency presentations, and the Notice of Sale/Instruction to Bidders publications. A.C. Advisory managed the transaction to ensure that the structure presented and the bidding process generated sufficient premium on the Tax-Exempt Bonds to meet the RTA's funding requirements, achieved the lowest TIC and minimized the initial secondary market appreciation. Furthermore, we confirmed the final bids from eight different bidders which we aggressively marketed in the weeks prior.

A.C. Advisory, Inc. Project Staff: Adela Cepeda, Kelly Hutchinson, and Robert Rodriguez



Chicago Transit Authority: Completed in 2003, A.C. Advisory was part of the financial advisory team that guided the Chicago Transit Authority's first federal-backed financing of over \$200 million. This was one of the first transactions of its kind in the USA and the first direct issuance of the CTA ever. The transaction was structured as a 7-year maturity, matching the anticipated federal grants flow. Securitizing the anticipated grants enabled the CTA to bid out the full scope of the renovation of one of its transit lines and obtain current pricing on the total project. In the past, the project would have been priced and completed in sections dependent on receipt of grant funds. Securitization permitted more cost- and time-effective capital project management. As advisor to the CTA we evaluated other 5307 financings, which are federal grants through the Federal Transit Administration ("FTA"). As part of our work with the CTA, we have had extensive conversations with the federal government on various project financing opportunities that might be cost effective, such as the Transportation Infrastructure Finance and Innovation Act ("TIFIA") program. This accomplishment was followed up in 2004 with the CTA's \$250 million financing from federal grant receipts of 5307 formula funds. We analyzed potential swap overlay structures and timing concerns.

Again in 2006, the Firm assisted the CTA with the third issuance of 5307 formula funds in the amount of \$275 million. Originally planned as \$175 million, A.C. Advisory advised the CTA to increase its structure to \$275 million in order to capitalize on its multi-year plan and strong financial position, while rates were unusually low and before additional legislative uncertainties could cloud the CTA's ratings prospects. In addition, after a thorough evaluation of the senior manager's proposal to extend the final maturity, we canvassed the rating agencies and insurers to ensure their positive appraisal of the new structure. We extended the final maturity to maximize the benefits of the flat yield curve and significantly reduce the CTA's annual debt service. The Firm also added particular value by working in

concert with the financing team to making sure the deal was aggressively priced. The transaction was extremely well received.

In 2008, we advised CTA on another \$250 million Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 and 5309 Formula Funds, Series 2008 A and Series 2008. This transaction represented the first 5309 financing for the CTA. In addition, the Firm has advised the CTA on ratings agency strategies and presented various swap ideas. We have prepared structuring analysis, provided advice regarding cost of issuance, participated in document review sessions, bid credit enhancements, and prepared a post-pricing transaction review including complete compensation analysis, investor demographics, historical issuance comparison, and underwriter performance analysis.

In 2009, the Firm advised the CTA on a \$567.13 million basis swap which was associated with its \$2 billion taxable pension financing sold in the summer of 2008. The Firm was instrumental in developing the transaction structure, negotiating terms with three separate counterparties, and leading the execution of the transaction. After the execution of the financing, A.C. Advisory took on the responsibility of providing weekly mark-to-market statements to the CTA, which provided a basis for determining an unwind strategy. A.C. Advisory ultimately negotiated the unwind of two of the transactions totaling \$396mm in notional at terms that were more favorable than the respective counterparty's initial offers.

Most recently, in October 2011, A.C. Advisory assisted the Chicago Transit Authority as it sold \$476.9mm and \$57.58mm in Sales Tax Receipts Revenue bonds and Capital Grant receipts, respectively. A.C. Advisory was intimately involved with developing the bond structure, preparing a comprehensive ratings presentation and leading the rating agency efforts. In particular, the firm worked with the financing team to work within the CTA's legal and financial constraints, while producing a structure with the lowest cost of funds. Our client-focused commitment enabled us to quickly grasp the CTA's objectives and manage the structuring process such that our recommended plan of finance offered an efficient and flexible solution to the CTA's needs. Ms. Cepeda was called upon to explain the structure to the Chicago Transit Authority Board and respond to questions during the approval process.

The Sales Tax bonds featured serials maturing 2021-2031 and two term bonds maturing in 2036 and 2040. The serials, averaging \$18.3mm in size, priced above MMD at spreads ranging from 125-127bps. The two term bonds were set to yield 4.87% and 4.91% respectively, both pricing 112bps over MMD. The CTA also sold \$56.53mm worth of Capital Grant Receipts Revenue refunding bonds. The serials, which averaged \$8.1mm, priced at spreads of 162-156 above MMD.

The \$57.58mm taxable GARVEE series secured favorable interest from investors, obtaining approximately 2x subscription from over 10 investors despite concern over the status of the transportation funding. Along with the GARVEEs, the CTA also simultaneously sold \$476.91mm of sales tax revenue bonds. In a market environment where retail investors have shown little interest in municipal bonds, the CTA Sales Tax series received approximately \$229.12mm of professional retail orders. *Project Team Members: Adela Cepeda, Kelly Hutchinson, Alberto Castellon*

Client Contact: Karen Walker, Chief Financial Officer / PH: 312-681-3400 ext 13400 / Fax: 312-681-3405



Illinois State Toll Highway Authority (IL Tollway): As Financial Advisor to the \$500 million 2009 Series A transaction, A.C. Advisory assisted the IL Tollway in the introduction of the first taxable BABs issuance with a maturity over \$100 million to include a 10-year pay call. Initially, the transaction was

structured as \$100 million of tax exempt bonds maturing in 2024 and \$400 million of taxable Build America Bonds maturing in 2034. However, given the strong investor interest in the Build America Bonds, the IL Tollway was able to convert its shorter bonds to taxable Build America Bonds, while preserving its 10-year call option. A.C. Advisory, advocated throughout the transaction to tighten spreads to achieve the lowest TIC, minimize the initial secondary market appreciation, maintain call flexibility, and reduce takedowns. Given the strength of investor interest, the IL Tollway was ultimately able to tighten its spread to treasuries, while maintaining a strong and diverse investor base. The levels achieved on the BABs represented the lowest initial pricing spreads at that time for a large scale non triple-A issuer.

Credit Enhancement Advisory: The Illinois State Toll Highway Authority engaged the Firm to determine the appropriate cost triggers for refunding/restructuring the Authority's \$1.302bb synthetic variable rate portfolio, including swap termination. Our professionals analyzed the Authority's debt and derivative portfolio, refunding triggers, and thoroughly reviewed the Authority's debt portfolio and legal constraints, and conducted bank market and municipal securities law research. We presented the Authority's Board with a 40-page report and a high-level presentation summarizing our analysis.

Client Contact: William O'Connell, Capital Budget Specialist/ PH: 630-241-6800 x 4472.

A.C. Advisory, Inc. Project Staff: Adela Cepeda, Kelly Hutchinson



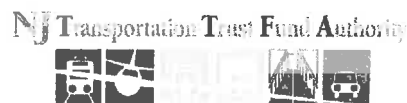
A.C. Advisory, Inc. has provided FA services to the Chicago Airport System since 1996. **In 2001, the Firm was co-financial advisor on the issuance of five series of bonds by O'Hare International Airport raising a total of \$700 million.** The bonds were financed by passenger facility charges, which were increased to \$4.50 from \$3.00, the highest in the nation. Certain series involved refunding of existing bonds while others involved specific projects that required FAA approval. Certain bond series were subject to the alternative minimum tax. **This bond issue was the largest PFC backed airport financing in history.** Our role was primarily to assist the issuer with pricing. Also, over the summer of 2003, we were the sole financial advisor on another O'Hare transaction totaling \$986,310,000. One of our major duties was to bid out and negotiate the bond insurance in a time where airport insurance was very expensive and many insurers were at their maximum capacity insuring O'Hare bonds. We researched and created a comparison report of all airport insured bonds within the past year. Presented this to the client, and used it as a point of reference as we received insurance bids. Once bids were in, we analyzed what the cost of insurance would be to the City, taking into account the trading differential of one of the insurance bidders. The ultimate result was the entire issue could have been insured (a small portion went uninsured at the request of an investor), we applied the best combination of three insurers and also negotiated a very attractive rate for the airport. **In 2004, the Firm was financial advisor for Chicago Midway Airport's General Obligation Second Lien New Money and Refunding Bonds.** It entailed extensive negotiations with the airlines and the rating agencies at the same time of ATA's restructuring. In addition, we analyzed the relative value of BMA versus a Libor swap and competitively bid out the BMA structure chosen. **In April 14, 2010, A.C. Advisory assisted the City of Chicago on the sale of \$1.2 billion bonds for O'Hare.** The financing was unusually complex in that it involved the simultaneous marketing of 10 series of bonds inclusive of traditional tax-exempt and taxable bonds, Build America Bonds (BABs), non-AMT and AMT bonds for two different credits: General Aviation Revenue Bonds (GARs) and Passenger Facility Charges bonds (PFCs). As the sole financial advisor, A.C. Advisory was actively involved with managing stakeholder relations. The Firm developed professional materials to translate O'Hare's complex financing plans into straightforward, simplified descriptions in order to help win national airlines approval to move forward with the deal. A.C. Advisory also prepared a comprehensive, customized rating agency presentations and helped advise on retail and institutional investor marketing strategies.

Credit Enhancement Advisory: In July 2011, A.C. Advisory was able to secure \$2.2bb of credit provider bids for the City of Chicago's \$642mm G.O. and O'Hare International Airport credits. To ensure the City secured the most favorable facilities, we suggested soliciting credit for the full portfolio, including the Water, Wastewater, and Sales Tax credits. To that end, we helped to develop the City's Request For Expressions of Interest (RFEI), wrote an advertisement per the client's request announcing the solicitation, worked with the City to prepare a detailed credit presentation to the universe of bidders, corresponded with the credit providers as necessary, reviewed the bids' fees and terms, summarized the bids, dialogued with short-term desks to evaluate trading value of various banks and provided input on short term product strategies materials and discussions. We also produced a memo providing recommendations for bid selections for each credit. The memo outlined the City's current portfolio, set forth a framework for comparing the cost of each bid (comparing the historical Libor/SIFMA and swap rates in conjunction with the trading spread for each provider), outlined key market information about each bidder, provided a pro-forma look at the City's VRDB portfolio given the bid recommendations, and provided a strategy for executing the recommendations.

Project Staff: Adela Cepeda, Kelly Hutchinson, and Alberto Castellón

Client Contact:

- Lois Scott, Chief Financial Officer / PH: 312-498-0714/ Fax: 312-744-4877
- Jeremy Fine, Deputy Comptroller / Tel: 312-744-7106
- Nuria Fernandez, Former Commissioner / Tel: 312-873-9741 / 312-613-5527



New Jersey Transportation Trust Fund Authority (NJ TTFA): A.C. Advisory has served as an advisor to the State of New Jersey (the "State") since 2007 and has helped raise over \$1.5 billion to support the NJ TTFA's borrowing program. In this capacity, A.C. Advisory reduced the State's costs by negotiating lower takedowns, tighter spreads to Treasury and MMD as well as enhancing the need for capital within NJ TTFA's debt service constraints.

To maximize investor demand during difficult market conditions in November 2008, A.C. Advisory worked with the State of New Jersey to launch a retail marketing campaign and a State investor relations website. Serving as financial advisor to the State on our first issuance, a financing comprised of \$1.123 billion in Transportation System Bonds, it was the largest fixed rate issuance and the only one to place Capital Appreciation Bonds since the Sept. 2008 bankruptcy of Lehman Brothers. As a result of our work, approximately \$175 million of retail orders were generated and strong institutional demand enabled the size of the deal to be increased from the original \$750 million par to \$1.123 billion. The State and the NJ TTFA continue to use the retail and web-based marketing strategies we helped develop for all of its issuances.

Following up on the success of the 2008 financing, the Firm advised the State of New Jersey on its inaugural Build America Bond transaction as part of the \$414 million 2009 Series A financing. A.C. Advisory led negotiations with the underwriter to lock-in an underwriter's takedown of 1/2 point on a net designated basis (as compared to the 7/8 paid on earlier transactions including the New Jersey Turnpike).

Client Contact: Jim Petrino, Director of Finance, 609-633-6447

A.C. Advisory, Inc. Project Staff: Adela Cepeda, Robert Rodriguez, Alberto Castellón



State of Connecticut: As advisor to the State of Connecticut ("CT") since 2002, A.C. Advisory has provided a variety of comprehensive services on over \$5.2 billion of financings. The Firm has assisted CT STO (Special Tax Obligation) with new money and refunding analyses, drafting investor and ratings agency presentations, pricing negotiations, variable rate portfolio management, solicitation of credit support and post-deal analysis.

Throughout 2009 and 2010, the Firm advised CT on its inaugural sale of BABs and tax-exempt new money and refunding deals. Prior to those financings, the Firm guided the State through the financial crisis, working with CT to sell \$100mm of refunding bonds to retail on the eve of the Lehman collapse in September 2008. In 2003, the Firm advised on \$421.98mm Refunding Bonds and interest rate swap which received the first corporate ratings for a muni swap, an idea advanced by Ms. Cepeda.

In October 2010, we assisted the State with its largest STO bond sale ever of \$737.675mm (A1/AA/AA-). The deal consisted of: \$200mm tax-exempt and \$400mm taxable BABs new money series and a \$138mm tax-exempt refunding. The transaction was placed successfully despite a challenging market with a supply calendar at an 18-month peak of \$13.8bb, volatile interest rates, and limited secondary market liquidity. At our advice, the State sold its 2023 maturity as a serial instead of term bond, saving nearly \$2mm in debt service costs or \$1.5mm in PV debt service costs.

Most recently, in December 2011, our Firm advised the State on \$455mm Special Tax Obligation Bonds, comprised of \$221mm new-money and a \$234mm refunding series. We worked with the State in optimizing the refunding candidates to minimize the level of negative arbitrage in the refunding. Additionally, we reviewed the State's General Obligation and University of Connecticut designation policies to recommend appropriate policies for the State on its STO financing. We also provided the State with pricing advisory prior to and during the pricing negotiations to ensure it sold its bonds at the lowest cost possible.

Credit Enhancement Advisory: In March 2011, A.C. Advisory assisted in privately placing \$153mm General Airport Refunding Bonds with two large North American banks on behalf of Bradley International Airport. A.C. Advisory navigated several challenges including: education on a credit that had not entered the market in 10 years, an S&P downgrade of the airport, and the governor's introduction of legislation to create an independent airport authority. We drafted Bradley's Request for Proposals for Credit Facilities and Direct Purchases, analyzing over \$500mm worth of financing proposals. We carefully modeled pricing for the various credit facilities and direct placements, taking into account the LIBOR swap receipts and dialoguing effectively with the client to ensure they were well-informed. In this assignment, A.C. Advisory also played a pivotal role in negotiating favorable business terms for Bradley Airport in each respective credit agreement while deftly maneuvering a credit ratings downgrade of the Airport and the newsbreak of the potential creation of a new airport authority.

Peter McAlpine, Debt Management Specialist, Tel: 860-702-3257, Email: peter.mcalpine@ct.gov

List of Transportation Deals

REGIONAL TRANSPORTATION AUTHORITY

- \$175,100,000 REGIONAL TRANSPORTATION AUTHORITY General Obligation Bonds, Series 2010A, B(BABs)

Total Financings

\$175,100,000

ILLINOIS STATE TOLL HIGHWAY AUTHORITY

- \$500,000,000 ILLINOIS STATE TOLL HIGHWAY AUTHORITY Toll Highway Senior Priority Revenue Bonds, 2009 Series A (BABs)

Total Financings **\$500,000,000**

CHICAGO TRANSIT AUTHORITY

- \$533,430,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Refunding Bonds (5307 Grant) Series 2011
- \$250,000,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 and 5309 Formula Funds, Series 2008 A and Series 2008
- \$275,000,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 Formula Funds, Series 2006 A
- \$250,000,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Federal Transit Administration Section 5307 Formula Funds, Series 2004 A & B
- \$207,200,000 CHICAGO TRANSIT AUTHORITY Capital Grant Receipts Revenue Bonds, Douglas Branch Project, Series 2003 A & B

Total Financings **\$1,515,630,000**

CITY OF CHICAGO AIRPORT SYSTEM

- \$936,775,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Airport Third Lien Revenue Bonds, Series 2010A, B, C, F
- \$103,210,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Airport Third Lien Revenue Refunding Bonds, Series 2010D, E
- \$137,665,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT Passenger Facility Charge Revenue Bonds, Series 2010A, B, C (Taxable), D
- \$152,150,000 CHICAGO-MIDWAY INTERNATIONAL AIRPORT General Obligation Second Lien Revenue Bonds Auction Rate Securities, 2004 Series C&D
- \$77,565,000 CHICAGO-MIDWAY INTERNATIONAL AIRPORT General Obligation Second Lien Revenue Refunding Bonds, 2004 Series A&B
- \$986,310,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Airport Third Lien Revenue Bonds, Series 2003A-1, A-2, B-1, B-2, C-1, C-2
- \$700,000,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT Second Lien Passenger Facility Charge Revenues, Series 2001
- \$409,850,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT International Terminal Special Revenue Refunding Bonds, Series 1999
- \$216,075,000 CHICAGO-O'HARE INTERNATIONAL AIRPORT General Obligation Second Lien Revenue Bonds, 1996 Series A and Taxable Series B

Total Financings **\$3,719,600,000**

STATE OF CONNECTICUT

- \$455,075,000 STATE OF CONNECTICUT Special Tax Obligation Bonds, Transportation Infrastructure Purposes, Series 2011A, B
- \$152,380,000 STATE OF CONNECTICUT Special Tax Obligation General Airport Revenue Refunding Bonds, Variable Rate Demand Bonds, Series 2011
- \$737,675,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2010 A, B(Taxable), C

- \$549,775,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2009 Series A, B (Taxable), C
 - \$415,035,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2009 Series 1
 - \$300,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2008 Series A
 - \$99,040,000 STATE OF CONNECTICUT Second Lien Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2008 Series 1
 - \$250,000,000 STATE OF CONNECTICUT New Money Bonds Transportation Infrastructure Purposes, 2007 Series A
 - \$250,000,000 STATE OF CONNECTICUT New Money Bonds Transportation Infrastructure Purposes, 2005 Series A
 - \$89,725,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2004 Series B
 - \$200,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2004 Series A
 - \$200,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds Transportation Infrastructure Purposes, 2003 Series B
 - \$338,610,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds, 2003 Series A
 - \$421,980,000 STATE OF CONNECTICUT Special Tax Obligation Refunding Bonds, Transportation Infrastructure Purposes (Variable Rate Demand), 2003 Series 1 and 2
 - \$215,000,000 STATE OF CONNECTICUT Special Tax Obligation Bonds, Transportation Infrastructure Purposes, 2002 Series B
- Total Financings** **\$4,674,295,000**

STATE OF NEW JERSEY

- \$416,230,924 NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY Transportation System Bonds, Series 2009A (CABs), B(Taxable)
- \$1,122,744,638.45 NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY Transportation System Bonds, 2008 Series A

Total Financings **\$1,538,975,562.55**

Total Transportation Financing **\$12,123,600,563.55**

Additionally, the Firm has significant experience evaluating revenue opportunities. One of the Company's specialties is structuring creative and innovative financings that maximize proceeds and debt capacity for our clients. Since 1996, A.C. Advisory, Inc. has been engaged by the Chicago Board of Education as financial advisor to develop a financing strategy for a capital improvement program that now approaches \$6 billion. CPS has undertaken the most ambitious capital investment program of any school system in the nation. To date, CPS has been upgraded 16 times to its current ratings of A1, AA- and A+, by Moody's, S&P and Fitch. The Firm has assisted the Chicago Board of Education from the earliest stages, initially working to identify revenue sources that would securitize financings. The Board's ratings were barely investment grade. After extensive consultation with various bond counsels we worked to develop a "double-barreled" bond backed by a sales tax collected by the state of Illinois and apportioned to every taxing authority during the year. Revenues from this tax allowed for \$1 billion to be raised by the Chicago Board of Education over the next 18 months. In addition, we worked with the City of Chicago and the Public Building Commission to document an intergovernmental agreement (IGA) that allowed for the expansion of an existing bond levy. This levy extension backed the issuance of \$4

billion in additional bonds for the Board of Education. We worked on the financing strategy as well as the legislative strategy for this IGA financing. The ambitious capital program, which has had a transforming effect throughout Chicago's neighborhoods, increasing real estate values and attracting suburbanites back to the city, has therefore been financed without tax increases. We also helped Cook County structure and sell its first Sales Tax backed bonds.

Other non transportation clients:



A.C. Advisory has been engaged to be the financial advisor on a series of transactions on a deal by-deal basis since 1996 on over \$89 billion worth of issues. We have advised the County on ratings strategies, various new money and refunding structures, variable rate financings, taxable financings, evaluated alternate methods of raising capital, reviewed the qualifications of managers, and presented various swap ideas. Over the years, we have also discussed topics ranging from property assessments, levy procedures, tax collections to governance structures. We have worked extensively with Cook County on a variety of bond transactions:

- 14 Refunding Bond Series
- 3 Variable-Rate, General Obligation Bond Series
- 2 Industrial Development Revenue Bond Series
- 27 General Obligation Series
- Inaugural Build America Bond Issuance
- Inaugural RZEDB Issue
- Inaugural Sales Tax Issuance

On Tuesday, August 7, 2012, A.C. Advisory assisted Cook County, Illinois with its inaugural \$90mm Sales Tax Revenue backed financing. A.C. Advisory played an instrumental role in the structuring process: providing comparative issuer analyses as well as a thorough analysis of rating agency parameters and concerns to determine the optimal bond security provisions, and recommending bond structures that maximized investor interest. Furthermore, the Firm spearheaded the rating solicitation process, working with County officials, the senior manager, and the legal team to develop a strong rating agency presentation that aided the County in securing a 'AAA'-rating from Standard and Poor's. Among factors S&P considered, the County's Sales Tax Revenue bonds feature coverage of 47x debt service and strong non-impairment provisions. At pricing, the County drew significant investor interest- both from retail and institutional investors, which speaks to the investor appetite for AAA rated securities.

Advisory Team: Adela Cepeda, Stella Gittens, Kelly Hutchinson, Alberto Castellón

Client Contact:

Tariq Malhance, Chief Financial Officer

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Ivan Samstein, Deputy Chief Financial Officer

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State of Illinois: A.C. Advisory assisted the State of Illinois ("the State") with its \$1bb General Obligation Series 2010-1 inaugural Build America Bond ("BAB") issuance on January 28, 2010. The \$1bb transaction was the first phase of the Illinois Jobs Now! Program, which funded projects estimated to create 14,000 new jobs throughout Illinois. With A.C. Advisory's assistance in advocating for tighter spreads, the State achieved a borrowing cost of 3.99% or an all-in TIC of 4.05%. By issuing BABs instead of traditional tax-exempt bonds, the State achieved approximately \$80mm of present value interest cost savings or 64bps in all-in TIC. With A.C. Advisory's

guidance, the State minimized the cost of the steepening yield curve by extending serial bonds from 5 to 12 years, saving 3 - 6bps over the alternative serial and term bond structures initially proposed by underwriters. This translates into \$3-6mm of savings.

Most recently, in May of 2012 A.C. Advisory assisted the State of Illinois with the sale of \$375,000,000 Build Illinois Bonds (Sales Tax Revenue Bonds), Taxable Series of May 2012.

Client Contact: John Sinsheimer, Capital Markets Director

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New York City  As financial advisor to **New York City on its General Obligation and Transitional Finance Authority (TFA)** bonding programs since 2010, A.C. Advisory has helped the City sell over \$8bb worth of TFA Personal Income Tax Bonds. The TFA utilizes revenues based on Sales and Personal Income Tax revenues. During this period, we have worked closely with the City to undertake several key initiatives and programs, including the management of the 2008/2009 financial crisis in both the long- and short-term/bank markets, development of an index-floater direct purchase program, marketing the credit to retail and institutional investors, and the sale of Qualified School Construction Bonds.

On October 12th, 2011, A.C. Advisory assisted New York City with the sale of \$758.1mm of fixed rate tax-exempt Transitional Finance Authority Bonds. In the two weeks prior to the sale, several sales were downsized and/or sold at significant concessions relative to initial pricing levels, reflecting the volatility in the market and lack of market depth. The TFA was able to generate \$172mm in retail orders during its one-day retail order period. Anchor orders from investors totaling \$200mm each were generated by two bond funds/money managers reflecting the high-quality nature of the order book. The subscription level enabled the TFA to lower yields upon repricing by 2-5 basis points in certain key maturities.



Since 2004, A.C. Advisory has served as financial advisor on all of New York City's General Obligation and TFA new money and refunding financings amounting to over \$54 billion across a broad range of products. Throughout our engagement, we educated City Debt Management officials on new debt options established under ARRA (BABs and QSCBs). Furthermore, we recommended the use of competitive sales to reset the spread for the TFA credit while selling bonds to the New York State Lottery. We have also strategized with the City to leverage retail demand, improving spread and distribution. As NYC frequently enters the capital markets, our engagement with the City allows us to stay abreast of evolving market conditions and novel financing structures.

During the week of May 21, 2012 New York City sold \$949,685,000 of General Obligation Bonds. The transaction was comprised of \$55,825,000 of Fiscal 2012 Series H (Tax- Exempt Fixed Rate Bonds) and \$893,860,000 of Fiscal 2012 Series I (Tax-Exempt Fixed Rate Bonds). Market conditions during the week prior to the bond sale were mixed with concerns over Greece due to the Fitch downgrade and warning of additional Eurozone downgrades, and dealers were preparing for a week of tax-exempt issuance that was expected to be \$9 billion versus a 2012 average of \$6 billion. AAA MMD fluctuated slightly, increasing in yield in the 5-10 year range by 2-6 basis points and by 2-4 basis points in years 11-30.

The City began its retail order period on Monday, May 21 with yields on the transaction ranging from 0.54% in 2014 to 2.23% in 2022 and 3.20% in 2032. With low absolute rates and a very aggressive spread to MMD Day 1 of retail resulted in \$60.82 million retail orders with order flow in virtually all maturities that were offered. The market closed on Monday with investors sitting idle for another session in light of

the \$9 billion tax-exempt primary calendar and choppy treasury market. The current AAA MMD curve was left unchanged. This was the challenging environment that as financial advisor A.C. Advisory had to make astute decisions.

The first difficult decision without hindsight was whether to accelerate the financing without the City's typical two day retail order period as the retail participation was very sparse and the next day several large transactions were being priced. After deliberations, and feedback from other market makers, on Tuesday May 22 the City decided to stay on course with the second day of retail in order to generate additional demand. The second day of retail resulted in \$159.84 million of retail orders, with oversubscriptions in a handful of shorter maturities, despite a considerable sell-off in the Treasury market and a general tone of uncertainty throughout the day in all major markets. On Wednesday May 23, 2012, in response to significant institutional investor feedback in advance of the pricing, the City opened the institutional order period with spreads adjusted to reflect oversold maturities and those which had not yet attracted interest. In this more settled market, institutional spreads were held constant in the front and back end, and widened 4 to 5bps from 2021 to 2025, still very aggressive compared to spreads at which comparably rated transactions had cleared the market the day before in those challenging maturities.

After a two hour order period, where all maturities except those from 2021 to 2025 cleared, and many of the earlier and later maturities were now oversubscribed, ranging from 1.15x-4.20x on the short end and 2.20x-7.10x on the long end, A.C. Advisory went through the order book and provided guidance to the City to tighten spreads in the areas of oversubscription, and widen a further five basis points in the 2021 to 2025 area, as well as to upsize the transaction reflecting demand from the original \$800,000,000 offered to the final amount of \$949,685,000. Once orders adjusted to the new spreads and amortizations, the final transaction was just slightly more than 1x subscribed.

On March 20, 2012, A.C. Advisory assisted New York City with the competitive sale of **\$100mm taxable and \$370mm fixed rate, tax-exempt General Obligation Bonds**, followed by the pricing of \$760mm variable-rate bonds. A.C. Advisory provided the City with a thorough review of current market movements, historical City pricing, upcoming transaction calendar, and comparable spread analysis in anticipation of the competitive sales. In addition, we provided the City with a post-bid analysis, reviewing the City's competitive pricing in light of its most recent negotiated taxable and tax-exempt financings- the 2012EF, 2012D, and 2012ABC financings.

A.C. Advisory seamlessly managed the competitive bidding process: coordinating the entire electronic bidding platform on Parity for both series, posting the deal information on major market channels, notifying major underwriters of the transaction, collecting statements of financial responsibility, verifying all bids, and working with the winning bidders to coordinate closing. We developed the Notice of Sale parameters and amortization by conducting sensitivity tests of various coupons and yields as the cashflows resulting from the winning bidders' structure had to comply with LFL. Since we created our bid amortization under varying market coupon and yield conditions, our quantitative team was able to further optimize the tax-exempt amortization after verifying the taxable and tax-exempt winning bids.

Advisory Team: Adela Cepeda, Robert Rodriguez, Stella Gittens, Kelly Hutchinson, Alberto Castellón

Client Contact:

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Carol Kostik, Deputy Comptroller of Finance
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The Firm's primary advisor, Adela Cepeda has been assisting issuers for over 30 years. With headquarters in Chicago and an office in New York City, the Firm is staffed by five highly experienced and trained professionals.

Adela Cepeda, President and CEO, in the Chicago office, will lead the advisory team in assisting the Authority and its staff. Ms. Cepeda has been a finance specialist since 1980, structuring and executing transactions in the capital markets for corporations and municipalities for the past 30 years. Prior to founding the Firm, she worked for over 10 years for a major Wall Street firm as a corporate finance executive handling public and private debt and equity transactions. As president of A.C. Advisory, Adela Cepeda has led the company to a national leadership position among municipal financial advisory firms and has worked extensively with the Regional Transportation Authority of Illinois, New York City, the State of Connecticut, and the New Jersey Transportation Trust Fund Authority. Ms. Cepeda is an expert on the 40 Act and serves as an independent director to various mutual fund companies with assets in excess of \$25 billion, including two sub-advised funds, providing a unique investor perspective on the capital markets. Since October 2010, she has been serving on the Municipal Securities Rulemaking Board, one of 3 municipal financial advisors advising on regulations for the municipal industry. Ms. Cepeda is an honors graduate of Harvard College with a major in Economics and has an MBA from the University of Chicago, Booth School of Business.

Kelly Hutchinson, Vice President, in the Chicago office, will also be the day-to-day contact. Ms. Hutchinson spearheads the team's review of legal documents and coordinates the efforts of the various legal members of the working group. Given her deep expertise with complex documentation, Ms. Hutchinson leads the firm's credit solicitation and negotiation efforts. Prior to joining the Firm, Ms. Hutchinson was an investment banking analyst at JPMorgan for two years structuring transactions for corporate clients in the oil and gas industry. Her current and past clients include Illinois State Toll Highway Authority, Chicago Transit Authority, Cook County, Regional Transportation Authority of Illinois, City of Chicago, Chicago Board of Education, Chicago Park District and the Metropolitan Water Reclamation District of Greater Chicago. Ms. Hutchinson is a 1999 graduate of Pomona College, with a Bachelor of Arts degree in Media Studies, and completed her J.D. at Tulane University Law School. Ms. Hutchinson has been with the firm over 5 years.

Ms. Cepeda and Ms. Hutchinson will be assisted by **Stella Gittens, Senior Vice President, Quantitative Analysis** in the New York Office. Ms. Gittens joined the firm in January of this year. Her primary focus is to create, evaluate and execute customized client solutions across both debt and derivative products. Ms. Gittens has nearly 30 years of broad investment banking and financial advisory experience in the Capital Markets. She spent the last 15 years as a financial advisory consultant to municipalities and has transacted over \$20 billion of bonds including \$2 billion taxable Pension Obligation bond and tobacco securitizations. She spent 11 years at J.P. Morgan Chase and, 2 years as a manager with Citicorp. She holds a Bachelor and Master of Science degree in Quantitative analysis and Finance from New York University, Stern School of Business.

Robert Rodriguez, Vice President in the New York office. Prior to joining A.C. Advisory in 2005, Mr. Rodriguez was a Regional Manager at Bloomberg, a global financial market data firm. As Vice President at A.C. Advisory, Mr. Rodriguez has worked extensively with the Regional Transportation Authority of

Illinois, New York City, the State of Connecticut, and the New Jersey Transportation Trust Fund Authority. Recently elected to represent the 68th Assembly District (East Harlem) in the New York State Legislature, Mr. Rodriguez currently applies his political and financial experience serving on the Assembly Committees on Banking, Corporations and Authorities, Mental Health, Labor and Small Business. Mr. Rodriguez received an undergraduate degree in history and political science from Yale in 1997 and has an MBA from New York University's Stern School of Business. Mr. Rodriguez has been with the firm over 6 years.

The RTA will also receive back-up quantitative support from **Alberto Castellón, Associate**, in the New York office. Mr. Castellón aids with the analysis of debt portfolios, the production of market updates, pricing, and pricing assessments. Mr. Castellón joined the A.C. Advisory team in June 2010 after graduating from Brown University with a Bachelor's of Science in Applied Mathematics-Economics. A Public Policy and International Affairs Fellow, Mr. Castellón also studied public policy at Carnegie Mellon University.

Please find a list of resumes attached in **Appendix B**.

Team Member	Title	Role	Office Location
Adela Cepeda	President	Engagement Leader	New York / Chicago
Stella Gittens	Senior Vice President	Quantitative Specialist	New York
Kelly Hutchinson	Vice President	Project Manager	Chicago
Robert Rodriguez	Vice President	Project Manager	New York
Alberto Castellón	Associate	Support As Needed	New York

5.3 Compensation Plan

The contract will be payable on a rate per bond (\$1,000 par) for debt issuance and either an hourly or fixed fee basis for analysis of individual proposals. Please propose a compensation plan of this type. The structure of your proposed compensation plan should conform to Exhibit A, our Agreement for Professional and Consulting Services

Describe the proposed method of compensation and rates that your firm expects to be paid to provide the services described. Although the contract will be awarded on an estimate of RTA's needs during the contract term, the costs, prices and rates proposed will be evaluated by RTA to determine if it will enter into negotiations with your firm.

A.C. Advisory prides itself on providing the highest level of customer service. The Firm offers its best talent and skills and in return, hopes to be compensated in a manner commensurate with its abilities and professionalism. We look forward to future fee conversations, as we are confident we can arrive at a compensation that meets the RTA's budget/final scope of work and is fair to our team. Regardless of the fee structure selected, all of the team's resources will be brought to bear on behalf of the financing plans.

Please see attached **Exhibit B** for Cost Proposal.

5.4 Management/Operating Plan

Describe your firm's proposed plan to undertake the engagement within the scope of services, including the expected relationships with your staff and the RTA, the resources that will be dedicated to performing these services, the availability of staff and resources during the contract term and your proposed management of the program.

A.C. Advisory will bring all of its resources to bear on behalf of the RTA. Adela will be the primary contact for the assignments, followed by Kelly Hutchinson and Robert Rodriguez. Stella Gittens will provide technical support as well as Alberto Castellon.

New money bond issuance. A.C. Advisory, one of the top ranked financial advisory firms in the state of Illinois, is a full service, independent financial advisory firm devoted to municipal clients seeking to raise funds in the capital markets. The firm has experience working with all the local and national broker dealers in the municipal market, and our relationships extend from their local offices to their underwriting desks. We pride ourselves in taking the initiative to set the time schedule that most benefits our client, and to firmly guide the transaction to completion. We work with the client's law firms and underwriting team to ensure a smooth and timely transaction. Furthermore, our staff is equipped with the professional and analytic tools required to properly structure any transaction.

We begin by working with the client to develop a strategy that incorporates all funding sources over the term of the financing. We recommend prioritizing those transactions that will raise the largest amount of capital in the shortest amount of time and at the lowest cost possible. We prepare the time schedule in consultation with bond counsel and the senior managers of the underwriting team. We incorporate reasonable periods for preparation and review of documentation, and ensure that issues are flagged and addressed as promptly as possible, to minimize delays. We function as a facilitator among the various parties to the transaction, mindful of our main role as representative to the issuer. Depending on the client's objective, we typically maintain momentum in the time schedule unless the market is in a negative mode and the financing requires a delay. Given our many years of experience in the capital markets, we are respectful of the markets and of the benefits of accessing capital sources in a time-efficient manner.

A.C. Advisory will assist the RTA in its development of rating agency presentations and investor presentations. A.C. Advisory has had extensive experience with rating agencies and marketing bonds to investors. We have insights into each of the ratings agencies, Moody's, S&P and Fitch; their key people and how their ratings committees are constituted. We visit them in New York and in Chicago on a regular basis throughout the year and on behalf of our various clients. The Firm generally takes the lead in the preparation of presentations and other communication materials. The Firm has organized meetings, tours, and conference calls between clients and these constituencies. After working with the RTA to establish the best approach to ratings for the bonds, we would coordinate a high quality, concise description of the financing plan that would assist with maintaining or enhancing the RTA's ratings. We will also continue to emphasize RTA's credit strengths some of which include, strong gross debt service coverage by a diverse sales tax base, the essential nature of the service provided by the RTA, willingness to raise sales tax rates, and the requirement that debt service funds be provided monthly to the trustee. Once this has been completed, the content in the ratings presentation is then revamped into a marketing tool to promote awareness and alert investors of the pending bond sale.

If necessary, A.C. Advisory can assist the RTA with solicitation of proposals for underwriters and the selection of qualified underwriters for particular bond transactions. We will review and summarize the qualifications ensuring the parties that are selected for the transactions have the requisite expertise to execute the particular financing structure chosen. For example, as financial advisor to NYC GO and TFA, A.C. Advisory assisted in evaluating dozens of underwriting proposals to select a pool of underwriters for the City of New York. Furthermore, since many of our clients such as the City of Chicago and New York City are the most sought-after business in the country, we are often evaluating underwriting proposals and presentations by municipal bankers on behalf of our clients. Our thorough review and analysis of these proposals, which present the most cutting edge issues in municipal finance, gives A.C. Advisory up-to-date knowledge of creative financing alternatives.

We believe that communication is the key to maintaining strong long-term relationships with bond holders, thus enhancing the marketability of RTA bonds. This strategy increases demand and garners savings through lower bond yields. As financial advisor, we would maintain a list of buyers of the RTA's paper, work with the underwriter to ensure they were working with a comprehensive investor list and request feedback on the underwriter's conversations with the current and past holders of the bonds. Our experience has taught us that one-on-one calls have a tremendous impact on an investor's decision to purchase bonds, so we would suggest the RTA remain flexible in their ability to talk with potential investors. Because we have found that during an investor presentation individuals are often reluctant to ask questions, we recommend creating an investor road show, which could either be pre-recorded along with a link to the POS, or live with various investors. We would suggest releasing the OS a week or more prior to pricing, thus allowing the desks time to contact a wide range of investors, and requesting sales memos from the syndicate to facilitate the communication of salient market points to potential investors.

We also recommend regular and vigorous direct issuer to institutional buyer contact via small group meetings and one-on-one conference calls. Since we have a database of taxable and tax-exempt investors we can host the small group meetings focusing on a particular investor type, for example targeting "professional" retail conduits, or mutual funds, or crossover buyers. This may occur quarterly or after each update of the financial plan. We also suggest calling investors to thank them for participating on transactions. We recommend the RTA along with the State of Illinois hold or participate in an annual conference, similar to the City of Chicago investor conference, where investors are invited from across the country to learn about the City's credits and have the opportunity to participate in site visits for each credit. The conference showcases the City and has allowed the City of Chicago to attract a more diverse investment pool. A similarly organized State conference could benefit the RTA in the same manner.

We would also recommend annual breakfast meetings with Senior Manager firms to rally the sales forces and high net worth brokers to engage their clients on the RTA's transactions.

Another consideration that we believe clearly distinguishes A.C. Advisory from our competitors, is our strong performance and experience in pricing transactions. We have ongoing contacts with all the major national and regional broker firms and can access their respective underwriting desks for up-to-the-minute information on comparable transactions and structures. We are proud of the fact that our transactions stand up to post-pricing review as competitive and cost-effective. Underwriting firms know that we are knowledgeable about pricing terms and that we will aggressively advocate on behalf of our clients for terms that will clear the market at the lowest possible rates. Over the years, we have

developed pricing history on most relevant transactions; including coupons, call options, takedowns (commissions), fees, and expenses.

Managing competitive bid process: A.C. Advisory will also assisted the RTA with evaluating the benefits of a competitive sale as we did on the January 2010 competitive sale. When issuing competitively, we believe that a larger pool of bidders increases competition and results in better pricing. We help our clients develop an investor outreach strategy that features individual meetings and/or an electronic presentation. We analyze the bid parameters and work closely with bond and tax counsel to address any structuring issues. The Firm coordinates the good faith deposit (if applicable), rating agency presentation, solicitation of insurance (if applicable) and the NOS publication. We provide up-to-the-minute market analysis, review bid parameters on the bidding platform to verify accuracy, verify the final bids, prepare the cashflows and assist with the bond documents through the closing.

Refunding bond issuance. As part of our quantitative services, we also routinely screen for refunding opportunities and would advise the RTA in that regard. We have successfully worked with \$100billion over the past seventeen years to bring several issues to market (some on as little as three weeks lead time). Decisions regarding the timing of the refunding issue and appropriate savings levels are, in part, subjective conclusions from objective data. Savings are usually measured as the difference between debt service on refunded and refunding bonds. This debt service reduction is a function of the interest rate on the refunded and refunding bonds, call dates and premium on refunded bonds, transaction costs, refunding bond structure and, escrow investment rates. Most issuers establish either a percentage or fixed dollar savings threshold to determine if bonds should be refunded. Such thresholds are often modified with changing market conditions and as first call dates are approached and passed.

A.C. Advisory would perform a comprehensive review of the RTA's debt portfolio to identify refunding candidates on a maturity-by-maturity basis. We would further develop for the RTA minimal savings thresholds for each maturity based on the refunded bonds' issue date; call date, and redemption premium. In this period of significant negative arbitrage in refunding, for each maturity screened and selected based on the initial parameters, we incorporate the ratio of the savings realized as compared to the perfect escrow cost. The goal is to include all maturities that meet the savings threshold and also to factor in the resultant negative arbitrage of that maturity into the selection methodology by looking at that maturity's impact on arbitrage and escrow yields. The effect of yield blending, the individual escrow yield, and its detailed savings by maturity allocation play a key factor in the selection of bonds to be refunded from the universe as inclusion or exclusion of maturities affect the overall arbitrage yield and the resultant savings. We would work with the Underwriter on the transaction to create a model that encompassed the overall and maturity-by-maturity savings threshold.

For the refunding escrow, we would analyze the escrow efficiency of assuming SLGs as compared to an open market portfolio of eligible securities. If an open market portfolio was found to result in the lowest escrow cost, A.C. Advisory would develop the bid request and circulate it to all key members of the working group, including bond counsel, whose approval of the document is critical. We would tailor the escrow bid specification to award the winning bid based on the lowest portfolio cost and as also compared to a SLG portfolio. Once the bid request is finalized, we would send it out in advance of the bid date to a list of qualified and approved bidders. Our timing is set to allow bidders adequate time to review the escrow requirements and the definition of eligible investments.

A.C. Advisory has worked on over \$26 billion of current and advance refundings with the City of Chicago, New York City, Cook County, The Chicago Board of Education, Chicago Park District and Connecticut. We

typically structure the transaction, verify number runs, participate in rating agency requests, coordinate insurance as needed and work with verification agents. We look forward to applying this expertise to serve the RTA.

We would assist the RTA to evaluate the functionality and competitiveness of bank credit. Years of first-hand, daily involvement with diverse institutions give A.C. Advisory a strong understanding of the complex challenges that face administrators and a keen ability to identify and evaluate debt management options that will meet our client's needs. We have worked with many clients to secure credit enhancement and bank credit from commercial banks. Using Bank lines of credit options for short term financing can address potential cash shortfalls resulting from the current economic crisis and its impact on State revenues shortfalls and the timing of inflows. Having a Bank line of credit could also be useful in market disruptions. A line of credit should be considered a plus by the rating agencies. Any potential cash flow borrowings can be accumulated and taken out with larger note issues. However, in this tight credit market we have seen most lines of credit expiring in one year. Basel III and the Dodd-Frank Act could each impact the pricing and availability of bank credit facilities in the near future. Similar to a line of credit, commercial paper can be treated as a revolving line of credit or a permanent portion of the State's capital structure.

New interest rate hedge agreement or other derivative transaction; A.C. Advisory has extensive experience with swap structures. Given the Firm's holistic approach to asset and liability management, the Firm believes that swaps should be evaluated in the context of the RTA's bond portfolio. We are uniquely positioned to also provide swap services to the RTA. Accordingly, the Firm's swap advisory services are a natural extension of its bond advisory services to the RTA. The Firm would regularly review the RTA's outstanding debt in relation to its goals and objectives coupled with an analysis of the RTA's short-term, long-term and overall fiscal strategy. In addition, we would also work with the RTA to periodically revisit its swap policy to ensure that the portfolio adheres to the policy as well as evaluate whether it is prudent to amend the policy based on the market's evolution. For example, given the recent changes in firms participating in the municipal marketplace, we are working with several of our clients to re-evaluate their approach with certain counterparties and in certain cases amending strategies as it relates to counterparty credit exposure. A clear understanding of the RTA's swap policy and financial goals and objectives provide the foundation upon which the Firm would evaluate swap strategies.

The Firm would also support the evaluation of the swap in the context of the RTA's overall asset/liability mix by coordinating the dialog with the rating agencies and potential credit enhancers with respect to both the bond and derivative transactions. When preparing to execute a transaction, the Firm would provide advice regarding capital market conditions, market trends, and financial products. As part of this process, we could lead the swap documentation process for both competitive and negotiated transactions, taking care to structure them to complement the RTA's bond documents and security with which we are intimately familiar. As part of the negotiations, we would focus on several key factors important to the RTA including collateral, cross default, automatic terminations, assignment and other optional termination provisions.

A.C. Advisory has assisted the Chicago Public Schools, the State of Connecticut, the Chicago Water Department, the New Orleans Aviation Board and Metropolitan Water Reclamation District of Greater Chicago with the evaluation of swap proposals, such as forward delivery swaps, stepped swaps, swaptions, and trigger based swaps, including structuring the swap and bidding out the swap to

qualified providers. We are familiar with the extensive documentation required for swap issues, with the qualified providers for the various structures and with the trends in the swap market at any given time that will result in lower costs for the issuer. The firm has advised on fourteen swap transactions totaling over \$3 billion.

Sample Swap Experience: In 2009, the firm worked with the CTA on the \$567.13 million basis swap associated with its \$2 billion taxable pension financing sold in the summer of 2008. The transaction was notable in that it was the CTA's inaugural swap transaction and it enabled the CTA to benefit from a favorable relationship between SIFMA and LIBOR swap rates at the time of execution. By virtue of entering into the basis swap, the CTA received up-front cash and an annual annuity over 20 years. The Firm was instrumental in developing the transaction structure including evaluation of the risk-reward tradeoff associated with the term structure of the transaction. Furthermore, the Firm was able to negotiate terms with three separate counterparties to diversify the CTA's counterparty risk. The firm's ability to be nimble on short notice enabled the CTA to capture a favorable market environment at a time when it was unclear whether the transaction could be executed. **As a result of the transaction, the CTA received \$10mm upfront and was due approximately \$3.7mm annually through the 20 year life of the swap.**

After the execution of the financing, A.C. Advisory took on the responsibility of providing weekly mark-to-market statements to the CTA which provided a basis for determining an unwind strategy. A.C. Advisory ultimately negotiated the unwind of two of the three transactions at terms that were more favorable than the respective counterparties initial offers. More specifically, the Goldman Sachs transaction was unwound for \$5.56mm when the initial offer was \$5.00mm. A.C. Advisory was able to secure this higher payment by virtue of negotiating the spread to mid at which Goldman offered to unwind. Subsequent to the initial Goldman Sachs unwind, A.C. Advisory negotiated an unwind of the Barclay's transaction at a net payment to the CTA of \$500,000 which was more than the original Barclays offer. The additional payment was achieved by A.C. Advisory challenging Barclay's mid-market levels. **The payment received on the Barclay's unwind was higher than what the CTA was able to achieve just days earlier on another unwind despite less favorable market conditions.** A.C. Advisory's ability to achieve attractive levels on behalf of the CTA was a function of our management of the process as well as our access to real time market information which enabled us to effectively negotiate for the most favorable outcome for the CTA.

As discussed above, in late April of 2008, CPS was able to successfully terminate the six swaps with three counterparties. These swaps involved variable to fixed, as well as, constant maturity or basis swaps. To establish independent "fair market" termination values, a derivatives management service for the municipal market was hired to provide mid-market quotations. A.C. Advisory, alongside CPS, negotiated with each of the swap counterparties, using both the "Market Quotation" and "Negotiated" methods to determine the termination values for its swaps. Swap terminations needed to coincide with the refunding because the refunded bonds indentures would no longer exist. CPS and the counterparties successfully negotiated termination payments and the swap agreements were terminated by May 1, 2008, the date of issuance of the Series 2008C Bonds and by May 13, 2008, the date of issuance of the Series 2008AB Bonds. CPS was able to make termination payments with reserve funds available in part because of savings earned from its original swap agreements. These payments did not impact CPS general operating funds.

In conclusion, CPS was able to successfully terminate the six swaps with three counterparties. A.C. Advisory believes that we were able to negotiate aggressively, through a complex process which the swan documents did not outline, and succeeded in reaching many of CPS' financial objectives. We were

able to meet CPS' objectives despite constantly changing market conditions and lengthy negotiation talks with each of the swap counterparties. Also, AC Advisory recommended that CPS terminate the swaps before the Fed meeting due to the potential market risk. Indeed, the market did indeed move against CPS after the Federal Reserve announcement. With the assistance of A.C. Advisory as swap advisor, CPS was able to lock in termination amounts and potentially saved over \$2 million by the timely execution of its swap terminations.

Keeping the RTA apprised of fixed income market conditions and actual and/or pending regulatory issues pertinent to the RTA.

We would continue to provide the RTA with a weekly market update, as well as relevant market data and news from Bloomberg and Thomson Reuters on a daily basis. As we have done in the past for the RTA, the Firm provides a pre-pricing book that includes interest rate coupons and current market yields of recently priced and outstanding bonds with similar credit characteristics as the RTA. Additionally, we provide historic secondary market trading data of prior bond issues sold by the client and of other similar bond issues sold by neighboring municipal entities. For example, for the City of New York, we have developed extensive pricing history on all NYC and many NY State transactions; including coupons, call options, takedowns (commissions), fees, and expenses. We would develop a similar pricing database for the RTA.

Reinvestment of Proceeds: The Firm approaches the reinvestment of proceeds from various angles. Prior to pricing of the bonds, the Firm analyzes the various investment structures and prepares a synopsis after a thorough review of the governing documents which dictate permitted investments and the qualifications and requirements of the providers. The Firm will estimate probable pricing of the various reinvestment proposals and the pros and cons of the alternatives. After a structure is approved, the Firm will act as bidding agent and provide the following:

- Prepare the request for bid specifications and necessary documentation;
- Provide a list of potential bidders who meet the criteria and confirm bidders' ratings, size, and capability to execute;
- Disseminate the bid to potential bidders, working directly with the providers to address all inquiries;
- Coordinate actual receipt of bids and ensure conformity. The Firm suggests using an online bidding platform to create an atmosphere for aggressive bidding while providing bond counsel with an electronic record of the process;
- After the bids are received, the Firm will prepare a bid summary sheet detailing each provider, their credit rating, the rate bid and any deviations to the request for bids;

Once the winning bidder is chosen, A.C. Advisory will review the contract documents submitted by the selected provider to ensure conformity with the bid specs. **We will use our extensive market knowledge to negotiate terms of maximum benefit for the RTA.**

Cash flow modeling. When it comes to providing quantitative analysis services and financial modeling, the Firm employs state-of-the-art market data, databases and analytics with the most current market pricing information. Equipped with cutting-edge analytical tools, A.C. Advisory can perform computer analyses of the RTA's contemplated bond issues. In addition to the public finance industry's standard DBC debt sizing programs, A.C. Advisory utilizes customized, proprietary debt models for structuring bond deals and evaluating a full range of financing structures. To determine fair mark-to-market pricing on swaps (and to evaluate swaptions, caps/floors, collars, etc), A.C. Advisory uses a combination of DBC Finance software and custom-built Excel algorithms. Inputs into our model include maturity schedule or notional amounts, Settlement Date, Effective Date, Termination Date, Receiving Cashflow, Daycount,

Fixed Annual Interest Rate Volatility, Number of Nodes for Binomial Tree Frequency of Assumption, the desired Cap Rate and /or the Floor Rate. Outside of parameters determined by the actual structure of the proposed transaction, input estimations are performed by market consensus or theoretical values based on historical modeling. To that end, A.C. Advisory utilizes data from Thomson Reuters and Bloomberg, along with live trader information, in its custom-developed models to evaluate bonds and swaps under extensive historical and projected scenarios. We also contact external trading desks when needed.

Other financial Advisory Services: Evaluation of Public Private Partnership opportunities A major trend in infrastructure financing is the privatization of assets, as in the case of the Chicago Skyway and the Indiana Tollroad. The RTA could consider tolling certain major roads and seeking the privatization of these. This would provide a significant up-front payment which the RTA could use to meet other budgeting challenges. While the results of some of these privatization strategies have been extremely attractive (the Chicago Skyway transaction price was over \$750 million above the anticipated level), the idea of disposing of some of the RTA's best performing assets for a one-time benefit can create more difficult challenges over time. However, legislators and the citizenry may view this as an appropriate strategy, and the Treasurer needs to be prepared to address this issue. We would recommend developing an analysis of the pros and cons of privatizing some of the highways so that RTA can be prepared to address this option.

We believe that the RTA should also consider potential Public-Private Partnerships (P3). A.C. Advisory, Inc. differentiates itself from others by virtue of our outstanding track record in structuring a variety of New York transactions and knowledge of the critical issues facing the RTA. We firmly believe that A.C. Advisory's resources, when combined with the extensive experience of our team members, will ensure that the RTA receives the highest level of service and information to obtain optimum value. The advisor must be able to provide insight into the important drivers of value in a governmental asset monetization. We can assist the RTA to maximize the number of bids it receives on any assets leased or sold, and secure the highest price available. Our experience highlights the fact that the failure to address the time elements required limits bidders' ability to generate the best possible bid – it does not pay to rush the process. We feel there are several underperforming assets and projects that would benefit from a review to see if a P3 was a suitable alternative to raising capital for the RTA.

In every partnership A.C. Advisory conducts a thorough study before recommending a transaction. Sometimes selling an asset is not the best option. Our Firm has earned a reputation for unbiased advice and putting clients first. In its many assignments as advisor to public and private sector clients, the Firm has gained unparalleled financial modeling experience. We have developed cutting edge models to evaluate asset sale scenarios and to create an optimized capital structure within an internal rate of return valuation model.

A.C. Advisory recommends that the RTA consider forming a dedicated P3 Team for executing these assignments. That P3 Team should be walled off from other staff at the RTA toward the goal of accomplishing a commercially reasonable and independent public auction process, specifically through the use of a competitive sale that was based on complete and non-discriminatory access to data and information by qualified parties seeking to participate in the sale process. That would include developing a strategy for the asset sale, assisting in the development and production of a Sale Memorandum and related marketing materials, and formulating and contacting a list of potential interested parties and briefing various government officials.

The key task in any proposed public-private partnership is education and projections. All stakeholders must be provided with an in-depth understanding of an asset sale, and a complete report including an executive summary; in-depth discussion of the forecasts, of third-party legal, economic, revenue/traffic and demographic assumptions, scenarios, valuation drivers, related support material, parameters, and valuation methodology employed in the analysis. The initial analysis needs to estimate the economic value that the RTA could realize if it decided to sell any assets and obtain, review, confirm, and in potentially develop key valuation scenarios, inputs and assumptions that support the range of estimates. A.C. Advisory would work closely with the RTA to fully explore the valuation and bids to ensure that any P3 opportunities are given full consideration.

5.5 Affirmative Action Requirements

A.C. Advisory is committed to equal employment opportunity. A.C. Advisory agrees to not discriminate by segregation or otherwise against any person, employee or applicant for employment because of race, color, creed, national origin, age, sex, sexual orientation, handicap or Vietnam era veteran status and shall undertake affirmative action measures designed to guarantee and effectuate equal employment opportunity for all persons.

In addition, race; religious creed; color; national origin; ancestry; physical disability; height, weight; medical condition, including predisposing genetic characteristics, genetic information; marital status; domestic partner status; Acquired Immune Deficiency Syndrome or HIV status (HIV/AIDS status) sex; pregnancy, childbirth or related medical conditions; handicap; admission to a mental facility; actual or perceived gender; gender identity; sexual orientation, age; military status, military membership; arrest records and criminal history; and association with members of protected classes are included in such basis.

5.6 Disadvantaged Business Enterprise (DBE) Requirement

A.C. Advisory, Inc. is a Minority Business Enterprise and a Women Business Enterprise. We are certified by the City of Chicago and Illinois Department of Central Management Services. The New York State Department of Economic Development has also granted A.C. Advisory status as a Minority & Women Owned Business Enterprise. We also work with other Minority Business Enterprises and Women Business Enterprises such as Arrow Messenger Services.

Appendix A

Site	Series Amount	Issuer	Issue Description
2011	\$221,230,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds, Transportation Infrastructure Purposes, (Tax-Exempt)
2011	\$233,845,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds, Transportation Infrastructure Purposes, (Tax-Exempt)
2011	\$56,525,000	CHICAGO TRANSIT AUTHORITY	2011 Series Tax-Exempt Capital Grant Receipts Revenue, Refunding B (5307 Grant)
2011	\$476,905,000	CHICAGO TRANSIT AUTHORITY	2011 Series Tax-Exempt Sales Tax Receipts Revenue Bonds
2009	\$415,035,000	STATE OF CONNECTICUT	Special Tax Obligation Revenue Refunding Bonds Transportation Infrastructure Purposes, 2009 Series 1
2008	\$300,000,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds Transportation Infrastructure Purposes, Series A
2008	\$99,040,000	STATE OF CONNECTICUT	Second Lien Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2008 Series 1
2010	\$137,675,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds Transportation Infrastructure Purposes, Series C, Tax-exempt, refunding, ABC
2010	\$400,430,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds Transportation Infrastructure Purposes, Series B, Taxable Build America Bonds, ABC
2010	\$199,570,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds Transportation Infrastructure Purposes, Series A, Tax-exempt, ABC
2011	\$152,380,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds, Variable Rate Demand Bonds, Bradley International Airport, Series 2011AB (Private Placement), Tax-Exempt
2010	\$91,590,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Airport Third Lien Revenue Bonds, Series 2010A
2010	\$578,000,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Airport Third Lien Revenue Bonds, Series 2010B (Taxable - B America Bonds)
2010	\$171,450,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Airport Third Lien Revenue Bonds, Series 2010C

2010	\$55,850,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Airport Third Lien Revenue Refunding Bonds, Series 2010
2010	\$47,360,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Airport Third Lien Revenue Refunding Bonds, Series 2010
2010	\$95,735,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Airport Third Lien Revenue Bonds, Series 2010F
2010	\$24,965,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	Passenger Facility Charge Revenue Bonds, 2010 Series A
2010	\$51,305,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	Passenger Facility Charge Revenue Bonds, 2010 Series B
2010	\$48,495,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	Passenger Facility Charge Revenue Bonds, 2010 Series C (Taxable
2010	\$12,900,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	Passenger Facility Charge Revenue Refunding Bonds, 2010 Series I
2009	\$49,775,000	STATE OF CONNECTICUT	Special Tax Obligation Revenue Refunding Bonds Transportation Infrastructure Purposes, 2009 Series C
2010	\$62,175,000	REGIONAL TRANSPORTATION AUTHORITY OF ILLINOIS	General Obligation Bonds, Series 2010A
2010	\$112,925,000	REGIONAL TRANSPORTATION AUTHORITY OF ILLINOIS	Taxable General Obligation Bonds, Series 2010B (Build America Bonds- Payment)
2009	\$142,730,924.10	NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY	Transportation System Bonds, 2009 Series A (CABs)
2009	\$273,500,000	NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY	Transportation System Bonds, Taxable 2009 Series B (Build America B
2008	\$100,000,000	CHICAGO TRANSIT AUTHORITY	Capital Grant Receipts Revenue Bonds, FTA Section 5307 Formula Fu Series 2008A
2009	\$500,000,000	ILLINOIS STATE TOLL HIGHWAY AUTHORITY	Toll Highway Senior Priority Revenue Bonds, Taxable 2009 Series A (E America Bonds-Direct Payment)
2008	\$872,745,000.00	NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY	Transportation System Bonds, 2008 Series A Current Interest Bonds (series issuance: \$1,122,744,638.45)

2008	\$249,999,638.45	NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY	Transportation System Bonds, 2008 Series A Capital Appreciation Bo
2009	\$304,030,000	STATE OF CONNECTICUT	Special Tax Obligation Revenue Bonds Transportation Infrastructure Purposes, 2009 Series B (Taxable Build America Bonds – Direct Pa)
2009	\$195,970,000	STATE OF CONNECTICUT	Special Tax Obligation Revenue Bonds Transportation Infrastructure Purposes, 2009 Series A
2008	\$150,000,000	CHICAGO TRANSIT AUTHORITY	Capital Grant Receipts Revenue Bonds, FTA 5309 Formula Funds, Serie
2006	\$275,000,000	CHICAGO TRANSIT AUTHORITY	Capital Grant Receipts Revenue Bonds, FTA Section 5307 Formula Fu Series 2006A
2004	\$150,000,000	CHICAGO TRANSIT AUTHORITY	Capital Grant Receipts Revenue Bonds, FTA Section 5307 Formula Fu Series 2004A
2004	\$100,000,000	CHICAGO TRANSIT AUTHORITY	Capital Grant Receipts Revenue Bonds, FTA Section 5307 Formula Fu Series 2004B
2003	\$128,750,000	CHICAGO TRANSIT AUTHORITY	Capital Grant Receipts Revenue Bonds, Douglas Branch Project, Series
2003	\$78,450,000	CHICAGO TRANSIT AUTHORITY	Capital Grant Receipts Revenue Bonds, Douglas Branch Project, Series
2004	\$152,150,000	CHICAGO-MIDWAY INTERNATIONAL AIRPORT	General Obligation Second Lien Revenue Bonds Variable Rate (AR Securities, 2004 Series
2004	\$77,565,000	CHICAGO-MIDWAY INTERNATIONAL AIRPORT	General Obligation Second Lien Revenue Refunding Bonds, 2004 Serie
2003	\$986,310,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Airport Third Lien Revenue Bonds, Series 2003A-1, A-2, B-1, B- C-2
2001	\$700,000,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	Second Lien Passenger Facility Charge Revenues, Series 2001
1999	\$409,850,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	International Terminal Special Revenue Refunding Bonds, Series 19
	\$216,075,000	CHICAGO-O'HARE INTERNATIONAL AIRPORT	General Obligation Second Lien Revenue Bonds, 1996 Series A and Ta Series B

2007	\$250,000,000	STATE OF CONNECTICUT	New Money Bonds Transportation Infrastructure Purposes, 2007 Ser
2005	\$250,000,000	STATE OF CONNECTICUT	New Money Bonds Transportation Infrastructure Purposes, 2005 Ser
2004	\$89,725,000	STATE OF CONNECTICUT	Special Tax Obligation Refunding Bonds Transportation Infrastructure Purposes, 2004 Series B
2004	\$200,000,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds Transportation Infrastructure Purposes, Series A
2003	\$200,000,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds Transportation Infrastructure Purposes, Series B
2003	\$338,610,000	STATE OF CONNECTICUT	Special Tax Obligation Refunding Bonds, 2003 Series A
2003	\$421,980,000	STATE OF CONNECTICUT	Special Tax Obligation Refunding Bonds, Transportation Infrastructu Purposes (Variable Rate Demand), 2003 Series 1 and 2
2002	\$215,000,000	STATE OF CONNECTICUT	Special Tax Obligation Bonds, Transportation Infrastructure Purposes, Series B

Appendix B – Team Resumes

ADELA CEPEDA

EXPERIENCE

- 1995 to date **A.C. ADVISORY, INC.** **Chicago, IL**
Founder and President of financial advisory firm.
Dedicated to developing and marketing financing and investment strategies for municipalities and corporations. Has led firm to top rankings in the State of Illinois. Clients include the City of Chicago, New York City, Cook County, Illinois Sports Facilities Authority, O'Hare Airport.
- 1991 to 1995 **ABACUS FINANCIAL GROUP, INC.** **Chicago, IL**
Co-founder and Managing Director of fixed income asset management firm.
Developed and successfully led marketing strategy that resulted in the gain of \$250 million in assets from 18 public and corporate retirement plans and foundations.
- 1980 to 1991 **SMITH BARNEY, HARRIS UPHAM & CO. INC** **Chicago, IL**
Vice President, Corporate Finance Department
Substantial involvement in structuring and executing debt and equity financings, acquisitions, and other financing alternatives related to specific corporate needs.

EDUCATION

- UNIVERSITY OF CHICAGO GRADUATE SCHOOL
OF BUSINESS** **Chicago, IL**
MBA Degree - August 1984. Concentration in Finance. Degree completed in two years while working full-time.
- HARVARD COLLEGE** **Cambridge, MA**
Graduated 1980 Cum Laude with an A.B. Degree in Economics.
Elected member of Harvard Student Agencies Board of Directors and of the Student Advisory Committee at the Institute of Politics in the John F. Kennedy School of Government. Secretary, Harvard Committee on Race Relations. Invited to U.S. State Department briefing for national Hispanic leadership.

PERSONAL

Widow of Albert Maule; mother of three children, Alexis, Alicia and Laura.

Home address: 5016 South Greenwood
 Chicago, IL 60615
Telephone: (312) 346-0154 (day) & (773) 536-7905 (evenings)
Facsimile: (312) 346-0215
E-mail: acepeda@acadvisoryinc.com

STELLA GITTENS

EXPERIENCE

2012 to Date **A.C. ADVISORY, INC.**

New York, NY

Senior Director

Lead the quantitative analysis efforts. Assignments include (1) budget balancing via refunding, loan and bond restructuring, and securitization, (2) refunding of variable rate portfolio and substitution of letters of credit, (3) methodology of selecting refunding candidates in a period of significant negative arbitrage within constraints of each maturity's impact on arbitrage and escrow yields.

2000 to 2012 **P.G. CORBIN & COMPANY, INC.**

Philadelphia, PA

Senior Managing Consultant

Provided comprehensive financial advisory services to state and local governments, their authorities and agencies in the issuance of taxable and tax-exempt obligations. Long-term clients serviced include State of Connecticut, University of Connecticut, Miami-Dade County Florida, Metropolitan Washington Airports Authority and the State of New Jersey.

- In 2010, structured cashflows for aggregate \$980 million Airport Authority debt via three bond sales. Structure included fixed, variable, refunding, and open market purchases for debt service savings. Maintained and ran capital planning model.
- In the 2009 volatile market, priced \$1.3 billion of new money and refunding bond issues, both short-term and long-term. The challenges were funding of significant capital needs in the volatile rate environment where spreads had widened. The pricing strategy recommendation was for significant retail distribution, use of a selling group comprising firms with a strong retail customer base, "Road show" for Institutional investors to increase understanding of the credit, longer marketing periods, and, pricing day analysis of premium couponing and yield to call. For the refunding, developed minimum thresholds for each maturity based on refunded bonds' issue date, call date and redemption premium.
- In 2008, financial advisory for \$2.3 billion taxable Pension Obligation bonds. Reviewed and modeled with the underwriter, the bond structuring alternatives to maximize proceeds based on constraints of revenues and investor appetites. Recommended convertible capital appreciation bonds. Participated in Investor Road shows.

1996 to 2000 **SENIOR MANAGING CONSULTANT**

Provided financial advisory services in the loan valuation and structuring of loan portfolios for Economic Development Corporations. Conducted risk assessments and cashflow projections.

- Structured cashflows for program sufficiency, meeting of budget targets, and compliance with program guidelines.
- Researched, derived and ran various stress test scenarios of delinquency, prepayment and default. Created risk scoring model for valuation of loans. Utilized discounted cashflow approach to valuation based on the expected cash flows.
- Reviewed loan files to access the most important aspects of the loans that would impact a third party loan sale.

1985 to 1996 **J.P. MORGAN CHASE (CHEMICAL SECURITIES), PUBLIC FINANCE DEPARTMENT.**
New York, NY

Vice President / Associate

Senior Quantitative Specialist in the Public Finance Group.

- Modeled the cashflows for complex transactions including general obligation, infrastructures, loan asset sales, multifamily and single family mortgage and student loans.
- Constructed optimal portfolios to maximize investment proceeds.

1983 to 1985 **CITICORP SECURITIES, PUBLIC FINANCE DEPARTMENT.**

New York, NY

Manager

Structured Single, Multi-family and Student Loan revenue bond. Monitored bank's Tender Option Bond Portfolio performance.

1981 to 1983 **HAWKINS DELAFIELD AND WOOD.**

New York, NY

Tax Analyst

Monitored bond underwriting transactions for arbitrage compliance to the Internal Revenue Service regulations. Input cashflows from underwriters into in-house internal software.

EDUCATION

NEW YORK UNIVERSITY

Stern School of Business – NY, NY

MASTER OF SCIENCE / BACHELOR OF SCIENCE Quantitative Analysis

ROBERT J. RODRIGUEZ

EXPERIENCE

October 2005 -
Present

A.C. ADVISORY, INC.
Vice President

New York, NY

Summer 2004

AMERICAN EXPRESS
Finance Associate

New York, NY

Analyzed and valued co-brand airline credit card portfolios between \$12MM- \$40MM for potential client acquisitions. Created a model to forecast existing technology and maintenance cost drivers to project future costs resulting in the proposed upgrade of network infrastructure.

2000 – 2003

BLOOMBERG, L.P.
Regional Operations Manager

New York, NY

Selected by COO to develop and manage a team of eighteen regional operations managers designed to focus on building customer relationships from a technical and administrative perspective. Managed relationships for the largest Bloomberg customers in North America, each client representing annual revenues between \$11MM– \$60MM.

1997 – 2000

Operations Analyst – Mexico and West Coast

Managed day-to-day operations for 200 clients in Mexico. Negotiated prices, service contracts and incentives with external vendors. Partnered closely with the sales team to target clients resulting in a tripling of regional sales in 2 years.

EDUCATION

NEW YORK UNIVERSITY

New York, NY

Awarded Master of Business degree in Finance in May of 2005. Awarded the Robert Toigo Foundation / New America Alliance Fellowship in 2003.

IESE BUSINESS SCHOOL

Barcelona, Spain

Completed MBA coursework in Entrepreneurship, Strategy, and Accounting in spring 2005

YALE UNIVERSITY

New Haven, CT

Awarded Bachelor's of Arts degree in History and Political Science in 1997.

UNIVERSIDAD DE LAS AMERICAS

Puebla, Mexico

Originated research study to analyze U.S. – Mexico relations and the economic impact of NAFTA, Jan 1997

ADDITIONAL

Upper Manhattan Empowerment Zone Development Corporation, Board of Directors,
Member

Community Board 11, Chairman. CB 11 City Properties, Land-Use, Housing and Zoning
Committee, Chairman

SCAN NY (Supportive Children's Advocacy Network), Board of Directors, Member

Puerto Rican Legal Defense and Education Fund, Member

Fluent in Spanish, Beginner Portuguese

KELLY N. HUTCHINSON

EXPERIENCE

- Fall 2005- **A.C. ADVISORY, INC** **CHICAGO, IL**
Present *Vice President*
- Summer 2004 **CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS** **NEW Orleans, LA**
Summer Law Clerk
Conducted legal research, prepared bench memos, drafted orders and opinions, verified citations, communicated with counsel regarding case management and procedural requirements, and assisted the Judge during courtroom proceedings.
- Fall 2002 - **JPMORGANCHASE - INVESTMENT BANK** **Houston, Calgary, New York**
Fall 2000 *Oil and Gas Client Coverage – Investment Banking Senior Analyst*
Member of deal team for \$200M senior notes issuance. Performed and interpreted valuation analyses; including accretion/dilution, discounted cash flow, comparable company and precedent transaction analysis. Specific responsibilities included creating complex financial/cash flow models of both stand-alone companies and pro forma post-merger entities, assisting management teams in formulating financial projections, developing and preparing management and board presentations and conducting industry research and competitive analysis. Extensive experience managing deadline pressures.
- Spring 2000 - **THE WALT DISNEY CO.** **Burbank, CA**
Fall 1999 *Undergraduate Finance Associate*
Consolidated and performed ad-hoc analysis for divisional budget and forecast. Prepared pro-forma balance sheet and cash flow statements for Disney Consumer Products. Performed research and analysis for Strategic Planning division.
- Spring 1999 - **SMITH BARNEY** **Claremont, CA**
Fall 1998 *Financial/Research Consultant Internship*
Researched client's investments and compiled appropriate data to aid in constructing investment strategies. Performed new client acquisition activities. Assisted Financial Consultants in making technical and fundamental analysis of equity investments.

EDUCATION

- Present **TULANE UNIVERSITY LAW SCHOOL**, Juris Doctor, May 2006 **New Orleans, LA**
Treasurer - Black Law Student Association; Berlin, Germany - Mediation and Negotiation Training :
Visited Northwestern Law School 2005- 2006
- 1995-1999 **POMONA COLLEGE**, Bachelor of Arts in Media Studies, May 1999 **Claremont, CA**
Honors: CBS Scholarship, AT&T/INROADS Scholar, and Stanley Broc Senior Thesis Award
- July 1998 **THE AMOS TUCK SCHOOL, DARTMOUTH COLLEGE** **HANOVER, NH**
Tuck Business Bridge Program. Highly selective 30-day introduction to accounting, finance managerial economics, marketing, and strategy through coursework taught by MBA faculty.
- Spring 1998 **SCHOOL OF INTERNATIONAL TRAINING** **Fortaleza, Ceara, Brazil**
Studied Portuguese, Brazilian culture, and economic development.

MEMBERSHIPS / SKILLS

Member, **IL BAR ASSOCIATION**
Member, **CHICAGO URBAN LEAGUE**
Member, **CHICAGO BAR ASSOCIATION**
Volunteer, **CHICAGO CARES**
Familiarity with Italian, Spanish and Portuguese

ALBERTO R. CASTELLON

EXPERIENCE

- | | | |
|-----------------------|--|---------------------|
| July 2010- Present | A.C. ADVISORY, INC.
<i>Analyst</i> | New York, NY |
| Feb 2010- June 2010 | Merriman Investments
<i>Intern</i> | New York, NY |
| | <ul style="list-style-type: none">▪ Analyzed client credit report data to identify target companies for data-collection efforts.▪ Created best-practices guidelines on creating successful information subpoenas. | |
| April 2010- June 2010 | United States Bureau of the Census
<i>Field Crew Leader</i> | Brooklyn, NY |
| | <ul style="list-style-type: none">▪ Managed ten-person enumerator team, overseeing quality assurance and productivity.▪ Provided Census enumerator training to fifteen diverse, community members. | |

EDUCATION

- | | |
|--|--------------------------|
| BROWN UNIVERSITY | Providence, RI |
| <ul style="list-style-type: none">▪ Awarded Bachelor of Science in Applied-Mathematics Economics (May 2009)▪ Appointed Board Member to the Late Night Fund, Student Representative to the University Sub-committee on Alcohol and Other Drugs. | |
| CARNEGIE MELLON UNIVERSITY | Pittsburgh, PA |
| <ul style="list-style-type: none">▪ Awarded Public Policy and International Affairs Fellowship, summer 2008.▪ Completed graduate-level classes in labor economics, professional communication, statistics, and public policy analysis.▪ Analyzed the effect of merchandise exports and value-added services on countries' GDP growth rates using data from the Asian Development Bank. | |
| WAKE FOREST UNIVERSITY | Winston-Salem, NC |
| <ul style="list-style-type: none">▪ Completed mini-MBA program, taking courses in finance, operations, organizational behavior, marketing, information systems, strategy, and financial accounting (Summer 2007).▪ Led 5-person consulting project, formulating strategy for an electronic media company. | |

ADDITIONAL

- Fluent in Spanish, conversant in French.
- Microsoft Office, Matlab, Maple

5. Profit. Contractor shall receive a fixed fee profit of \$_____ for performance of the Services. No partial payments of this fixed fee profit shall be made prior to satisfactory completion of the Services.

The Contractor shall not submit any invoices to the Authority reflecting costs in excess of the Contract Sum. The Authority shall have no obligation to pay Contractor more than the Contract Sum upon completion of the Services.

USE THE FOLLOWING IF LABOR HOUR CONTRACT

The Consultant's fee for the performance of the Services shall be calculated as the amount equal to the number of hours worked by each of the Contractor's Key Personnel based on the schedule set forth below:

<u>Name</u>	<u>Hourly Rate</u>
Adela Cepeda, President	\$ 450.00
Stella Gittens, Quant. Specialist	\$ 375.00
Robert Rodriguez, Vice President	\$ 300.00
Kelly Hutchinson, Vice President	\$ 300.00
Alberto Castellon, Associate	\$ 250.00

Rates for other personnel shall be subject to prior written agreement between Contractor and the Authority.

The Contractor shall not submit any invoices to the Authority reflecting costs in excess of the Contract Sum. The Authority shall have no obligation to pay Contractor more than the Contract Sum upon completion of the Services.

USE THE FOLLOWING IF TASK ORDER CONTRACT - N/A

The Consultant's fee for the performance of the Services shall be calculated for each Task as follows:

1. An amount equal to the number of hours worked by each of the Contractor's Key Personnel for such Task, multiplied by the hourly rate for such Key Personnel based on the schedule set forth below:

<u>Name</u>	<u>Hourly Rate</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Overhead and Burden Rate

_____ %

2. Reimbursable expenses, which shall consist of (a) reimbursement for the actual out-of-pocket expenses for reasonable and necessary travel, lodging and subsistence incurred by the Contractor and Contractor Related Parties in the proper performance of the Services under this Agreement (only to the extent that such expenses are identified and approved by the Authority as permissible reimbursable expenses), and (b) payments made by the contractor for the services performed by Contractor Related Parties. The Contractor may not bill the Authority any mark-up on reimbursable expenses, including the cost of any materials.

3. RTA will negotiate a fair and reasonable profit with the Contractor for each task based upon the complexity of the work to be performed, the risk undertaken by the Contractor, the Contractor's investment, the amount of subcontracting, the quality of the Contractor's record of past performance and industry profit rates for similar work. Payment to the Contractor of the profit will be made upon satisfactory completion of the assigned task.

The Contractor shall not submit any invoices to the Authority reflecting costs in excess of the Contract Sum for each Task. The Authority shall have no obligation to pay Contractor more than the Contract Sum upon completion of the task.

NON-COLLUSION AFFIDAVIT

STATE OF Illinois

COUNTY OF Cook

IMPORTANT: This affidavit must be properly completed and submitted with all bids.

Adela Cepeda, being first duly sworn, deposes and says that he is
(Enter name of person making affidavit)
President, the bidder submitting this
(Enter "Sole Owner", A "Partner", "President", or other proper title)

proposal; that such bid was not made in the interest of or on the behalf of any undisclosed person, partnership, company, organization or corporation; that such bid is genuine and not collusive or sham, and that said bidder has not been a party to any agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price, or otherwise, or to refrain from bidding and has not, directly or indirectly, by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the Regional Transportation Authority or of any bidder or anyone else interested in the proposed contract.

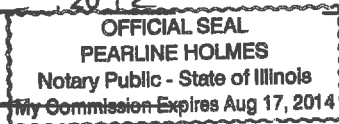
SUBSCRIBED AND SWORN TO ME this

6th day of September, 2012

Adela Cepeda

(Signature of Person Making Affidavit)

Pearline Holmes
Notary Public



REGIONAL TRANSPORTATION AUTHORITY

SCOPE OF WORK (RFP 1427) – FINANCIAL ADVISORY SERVICES

The Scope of Services provided below applies to the following firms regarding RFP 1427 for Financial Advisory Services:

A.C. Advisory

The scope of work will include but not be limited to issuing and refinancing bonds and notes on both a taxable and tax-exempt basis, assisting the RTA in analyzing derivative transactions, evaluating the functionality of competitiveness of bank credit, working to maintain or enhance RTA credit ratings and providing parameters for various services related to the completion of RTA's financing activities.

A.C. ADVISORY, INC.

150 N. WACKER DRIVE, SUITE 2160

CHICAGO, ILLINOIS 60606

312/346-0154

FAX: 312/346-0215

MEMO

To: Bea Reyna-Hickey – Regional Transportation Authority
Cc: Allan Sharkey
From: Adela Cepeda - A.C. Advisory, Inc.
Date: October 1, 2012
Re: Request for Proposal #1427 Revised Price Proposal

Part V, Section 5.3 – Compensation Plan

A.C. Advisory prides itself on providing the highest level of customer service. The Firm offers its best talent and skills and in return, hopes to be compensated in a manner commensurate with its abilities and professionalism. We look forward to future fee conversations, as we are confident we can arrive at a compensation that meets the RTA's budget/final scope of work and is fair to our team. Regardless of the fee structure selected, all of the team's resources will be brought to bear on behalf of the RTA's financing plans.

Issue - Volume Based Fee¹	Transaction Size	Maximum Fees, Including Expenses²
A.C. Advisory		
1. Bond Transactions	Up to \$100 million in par amount	\$0.50/bond
	\$100 million or greater in par amount	\$50,000 plus \$.40 per bond for any par amount above \$100 million. With a fee cap of \$120,000

Request for Proposal #1427 Revised Price Proposal
October 1, 2012

Hourly Fees (including expenses) ¹	Per 12 Months ²
A.C. Advisory	
1. President	\$350
2. Quant. Specialist	\$300
3. Vice Presidents	\$250
4. Associate	\$165
5. Analysts	\$150
6. Administrative	\$75

¹ Fees are negotiable

² Figures shown are for calendar year 2012 and subject to negotiation of an annual increase not to exceed 3%.

CONTRACTOR INSURANCE REQUIREMENTS

REQUISITION NUMBER: **1427**

CONTRACTOR: A.C. Advisory, Inc.

The Contractor shall take out and maintain during the life of this Agreement, the following insurance as specified by the insertion of policy limits and such other insurance as the Northeastern Illinois Regional Transportation Authority (RTA) may from time to time require.

See attached insurance certificates

TYPE OF COVERAGE	GENERAL POLICY HOLDING RATING OF <u> A </u> OR BETTER	FINANCIAL RATING OF <u> X </u> OR BETTER As Published By Best's Key Ranking Guide	AMOUNT REQUIRED
1. WORKER'S COMPENSATION: Coverage A – Statutory Coverage B - \$_____	Same	Same	<u>\$500,000.00</u> Limits of Liability
2. COMPREHENSIVE GENERAL LIABILITY (BROAD FORM): Bodily Injury Liability & Property Damage Liability (combined). To also include the following coverages: _____	Same	Same	<u>\$1,000,000.00</u> Each Occurrence <u>\$2,000,000.00</u> Aggregate
3. AUTOMOBILE LIABILITY: Bodily Injury Liability & Property Damage Liability combined) Property Damage (Leases, etc.)	Same	Same	N/A Combined Single Limit
4. PROFESSIONAL LIABILITY: Errors and Omissions	Same	Same	<u>\$500,000.00</u> Each Occurrence <u> N/A </u> Aggregate
5. PERFORMANCE/PAYMENT BOND:			N/A
6. OTHER INSURANCE:			<u> N/A </u> Each Occurrence <u> N/A </u> Aggregate

Additional Insured shall be as follows: Northeastern Illinois Regional Transportation Authority (RTA).

The Contractor shall not commence work herein until it has obtained the required insurance and has received approval of such insurance by the RTA. Certificates of insurance indicating amounts and coverages in force shall be furnished to insureds, within ten (10) calendar days after award of contract.

All policies are in effect at this time and will not be canceled, modified, limited or allowed to expire without renewal until 30 days written notice has been given to the RTA. Such notice shall be sent by certified mail to the RTA, care of the Manager of Procurement, 15th Floor, 175 W. Jackson, Chicago, Illinois 60604.

The Contractor's policies will insure all liabilities assumed by the Contractor under the provisions of the hold harmless and indemnity clauses contained in the Agreement.

The insurance coverage afforded under the policies described herein must be primary and non-contributing with respect to any insurance carried independently by the additional named insureds. All such insurance policies must indicate that as respects the insureds (whether named or otherwise), cross liability and severability of interests must exist for all coverages provided thereunder. Such policies must include, without limitation, a waiver of subrogation endorsement in favor of the additional named insureds. The insurance must be written on an occurrence basis (except for Professional Liability Insurance, which must be written on a claims made basis).

Houston Casualty Company

ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY, HOUSTON, TEXAS 77040

DECLARATIONS PROFESSIONAL LIABILITY ERRORS & OMISSIONS INSURANCE THIS IS A CLAIMS MADE AND REPORTED POLICY

- Broker: 157785 Policy Number: H712-16942
CRUMP INSURANCE SERVICES, INC. - Renewal of: H711-13125
CORPORATE OFFICE
- Item 1. Named Insured: AC Advisory, Inc
- Item 2. Address: 150 N. Wacker Dr. Suite 2160
Chicago, IL 60606
- Item 3. Named Insured's Profession: See Endorsement MPL32
- Item 4. Limit of Liability: \$ 1,000,000 Each Claim including Claim Expenses
\$ 1,000,000 Total Policy Limit of Liability for all Claims (including Claim Expenses)
- Item 5. Deductible: \$ 5,000.00 Each Claim including Claim Expenses
- Item 6. Notice of Claim to: Director of Claims
37 Radio Circle Drive, Mt. Kisco, New York 10549
- Item 7. Policy Period: Inception Date: 06/04/2012 Expiration Date: 06/04/2013
12:01 A.M. Standard Time at the address of the Named Insured herein.
- Item 8. Retroactive Date: 06/04/2007 Item 9. Date of Application: 05/08/2012
- Item 10. Premium: \$ 8,000.00 Administrative/ Inspection Fee: \$ 50.00
- Item 11. Extension Period: 12 MONTHS Item 12. Extension Percentage: 125 %

Attachments:

MPL32	Named Insured's Professional Services Endorsement
MPL46	Nuclear Incident Exclusion Clause- Liability- Direct (broad)
MPL109	Service of Suit
MPL73	Management Consultants Endorsement
MPL172	Investment Activities Exclusionary Endorsement
MPL41	Libel and Slander Endorsement
MPL33	Professional Services Exclusionary Endorsement

CHICAGO, ILLINOIS 60606
COMPANY CODE: F

Policy Number: 83 SBA ES1786 DV



SPECTRUM POLICY DECLARATIONS

ORIGINAL

Named Insured and Mailing Address:
(No., Street, Town, State, Zip Code)

A.C. ADVISORY, INC.
MRS. ADELA CEPEDA
150 N WACKER DR STE 2160
CHICAGO IL 60606

Policy Period: From 03/01/12 To 03/01/13 1 YEAR
12:01 a.m., Standard time at your mailing address shown above. Exception: 12 noon in New Hampshire.

Name of Agent/Broker: MESIROW INS SERVICES INC/BBT/PHS
Code: 551324

Previous Policy Number: 83 SBA ES1786

Named Insured is: CORPORATION

Audit Period: NON-AUDITABLE

Type of Property Coverage: SPECIAL

Insurance Provided: In return for the payment of the premium and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy.

TOTAL ANNUAL PREMIUM IS: \$1,340
IN RECOGNITION OF THE MULTIPLE COVERAGES INSURED WITH THE HARTFORD, YOUR
POLICY PREMIUM INCLUDES AN ACCOUNT CREDIT.

Countersigned by

Christine R. Gier

Authorized Representative

12/21/11
Date

06921

*3100283ES17860113

Number below.

Location: 001 **Building:** 001

150 N. WACKER DRIVE, SUITE 2160
CHICAGO IL 60606

Description of Business:
CONSULTANT - FINANCIAL PLANNING

Deductible: \$ 250 PER OCCURRENCE

BUILDING AND BUSINESS PERSONAL PROPERTY LIMITS OF INSURANCE

BUILDING

NO COVERAGE

BUSINESS PERSONAL PROPERTY

REPLACEMENT COST \$ 46,500

PERSONAL PROPERTY OF OTHERS

REPLACEMENT COST NO COVERAGE

MONEY AND SECURITIES

INSIDE THE PREMISES	\$ 10,000
OUTSIDE THE PREMISES	\$ 5,000,

LOSS PAYEE: 'A' APPLIES

Number below.

Location: 001 Building: 001

**PROPERTY OPTIONAL COVERAGES APPLICABLE LIMITS OF INSURANCE
TO THIS LOCATION**

STRETCH COVERAGES

FORM: SS 04 08

**THIS FORM INCLUDES MANY ADDITIONAL
COVERAGES AND EXTENSIONS OF
COVERAGES. A SUMMARY OF THE
COVERAGE LIMITS IS ATTACHED.**

**LIMITED FUNGI, BACTERIA OR VIRUS
COVERAGE:**

\$ 50,000

FORM SS 40 93

**THIS IS THE MAXIMUM AMOUNT OF
INSURANCE FOR THIS COVERAGE,
SUBJECT TO ALL PROPERTY LIMITS
FOUND ELSEWHERE ON THIS
DECLARATION.**

**INCLUDING BUSINESS INCOME AND EXTRA
EXPENSE COVERAGE FOR:**

30 DAYS

06922

*3100283ES17860113



PROPERTY OPTIONAL COVERAGES APPLICABLE TO ALL LOCATIONS LIMITS OF INSURANCE

**BUSINESS INCOME AND EXTRA EXPENSE
COVERAGE**

12 MONTHS ACTUAL LOSS SUSTAINED

**COVERAGE INCLUDES THE FOLLOWING
COVERAGE EXTENSIONS:**

ACTION OF CIVIL AUTHORITY:

30 DAYS

EXTENDED BUSINESS INCOME:

30 CONSECUTIVE DAYS

EMPLOYEE DISHONESTY: FORM SS 04 42

DEDUCTIBLE: \$ 100

EACH OCCURRENCE

\$ 10,000

EQUIPMENT BREAKDOWN COVERAGE

COVERAGE FOR DIRECT PHYSICAL LOSS

DUE TO:

MECHANICAL BREAKDOWN,

ARTIFICIALLY GENERATED CURRENT

AND STEAM EXPLOSION

**THIS ADDITIONAL COVERAGE INCLUDES
THE FOLLOWING EXTENSIONS**

HAZARDOUS SUBSTANCES

\$ 50,000

EXPEDITING EXPENSES

\$ 50,000

**MECHANICAL BREAKDOWN COVERAGE ONLY
APPLIES WHEN BUILDING OR BUSINESS
PERSONAL PROPERTY IS SELECTED ON
THE POLICY**

**IDENTITY RECOVERY COVERAGE
FORM SS 41 12**

\$ 15,000

06923
*3100283ES17860113

LIABILITY AND MEDICAL EXPENSES \$2,000,000
MEDICAL EXPENSES - ANY ONE PERSON \$ 10,000
PERSONAL AND ADVERTISING INJURY \$2,000,000

DAMAGES TO PREMISES RENTED TO YOU \$ 300,000
ANY ONE PREMISES

AGGREGATE LIMITS
PRODUCTS-COMPLETED OPERATIONS \$4,000,000
FORM SS 05 09
GENERAL AGGREGATE \$4,000,000

EMPLOYMENT PRACTICES LIABILITY
COVERAGE: FORM SS 09 01

EACH CLAIM LIMIT \$ 5,000

DEDUCTIBLE - EACH CLAIM LIMIT
NOT APPLICABLE

AGGREGATE LIMIT \$ 5,000

RETROACTIVE DATE: 03012003

This **Employment Practices Liability Coverage** contains claims made coverage. Except as may be otherwise provided herein, specified coverages of this insurance are limited generally to liability for injuries for which claims are first made against the insured while the insurance is in force. Please read and review the insurance carefully and discuss the coverage with your Hartford Agent or Broker.

The Limits of Insurance stated in this Declarations will be reduced, and may be completely exhausted, by the payment of "defense expense" and, in such event, The Company will not be obligated to pay any further "defense expense" or sums which the insured is or may become legally obligated to pay as "damages".

**BUSINESS LIABILITY OPTIONAL
COVERAGES**

HIRED/NON-OWNED AUTO LIABILITY \$2,000,000
FORM: SS 04 38



DEPARTMENT OF PROCUREMENT SERVICES
CITY OF CHICAGO

JUN 22 2012

Adela Cepeda
A.C. Advisory, Inc.
150 N. Wacker Dr., Suite 2160
Chicago, IL 60606

Dear Adela Cepeda:

This letter is to inform you that the City of Chicago has extended your status as a Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) until **September 1, 2012**. We are providing this extension to allow enough time to provide any additional documentation that your application may be missing and for our office to complete our review of all of the submitted documents.

This extension does not guarantee eligibility in the program but will act as a courtesy extension until we receive all of the required documentation and complete a review of that documentation.

Please present this letter as evidence of your certification to be included with bid document submittals as needed.

If you have any questions, please feel free to call our office at 312-744-1929.

Sincerely,

Shannon Andrews
Deputy Procurement Officer

FH

A.C. ADVISORY HAS BEEN APPROVED FOR RECERTIFICATION AND IS AWAITING APPROVAL LETTER.

June 5, 2012

Adela Cepeda
President
A.C. Advisory, Inc
150 N. Wacker Drive
Suite 2160
Chicago, Illinois 60606

Original Letter Sent: 8/26/2011
Amended Letter Sent: 6/5/2012

JUN 11 2012

File 51356

Dear Ms. Cepeda:

The New York State Department of Economic Development, Division of Minority and Women's Business Development (DMWBD) has determined that your firm, **A.C. Advisory, Inc**, continues to meet eligibility requirements for certification, pursuant to Executive Law, Article 15-A and 5NYCRR Section 140 through 145 of the Regulations.

Therefore, we are pleased to inform you that your firm has been granted status as a **Minority-Owned Business Enterprise**. Your business will continue to be listed in the State's Directory of Certified Businesses with the following list of principal products or services:

**854 MUNICIPAL BONDING
267 FINANCIAL CONSULTANTS**

This Certification remains in effect for a period of generally three (3) years from the date of the original letter dated **8/26/2011** or until such time as you are selected again, by this office for re-certification. Any changes in your company that affect ownership, managerial and/or operational control, must be reported to this Office within thirty (30) days of such changes; including changes to company name, business address, telephone numbers, principal products/services and bonding capacity.

The Certification status is not intended to imply that New York State guarantees your company's capability to perform on contracts, nor does it imply that your company is guaranteed any State business.

Thank you for your cooperation. On behalf of the State of New York, I wish you luck in your business endeavors, particularly those involving State agencies.

Sincerely,


Scott Munson
Associate Certification Analyst

ervices

Robert W. Walsh
Commissioner

Diego Rascón
Deputy Commissioner

Division of Economic &
Financial Opportunity
60 William Street
New York, NY 10038

2.513.6300 tel
2.618.8899 fax

December 30, 2010

Ms. Adela Cepeda
President
A.C. Advisory Inc.
150 North Wacker Drive – Ste. 2160
Chicago, IL 10016

Tax ID #: xxxxx5157
FMS ID #: 0002411088

Re: M/WBE Certification

Dear Ms. Cepeda:

The Department of Small Business Services, Division of Economic and Financial Opportunity ("SBS/DEFO"), hereby certifies your firm pursuant to Title 66, Chapter 11, Subchapter B of the Rules of The City of New York, governing the Minority and Woman-owned Business Enterprise Program. SBS/DEFO will list your business in the *New York City Directory of Certified Businesses* at www.nyc.gov/buycertified, will promote your company to City agencies and procurement staff, and will advise you of upcoming City purchasing opportunities in your industry.

This certification remains in effect until the last business day of December 2015, but may be reviewed prior to the expiration date. You are reminded that a certified business must notify SBS/DEFO within 45 days of any material change in the information you provided in your application. A material change may include, but is not limited to, a change in any of the following: company name, business type, ownership interest, officers, operational control, business address, principal product(s) or service(s).

If your certification status is questioned, please direct the inquiry to this Office, at 212 – 513 – 6311, 9 am to 5 pm weekdays. I wish you the very best in your business endeavors.

Sincerely,



Alfred O. Milton
Associate Director, Certification

cc: Gregg Bishop, Assistant Commissioner



Division of Economic and Financial Opportunity

M/WBE Certificate

A C Advisory, Inc.

is certificate acknowledges that this company has met the criteria as established by the M/WBE program at the New York City Department of Small Business Services and therefore is certified a Minority and Woman-owned Business Enterprise (M/WBE).

Certificate Number: 53152 - 012011

Expires on:

12/31/2015

Michael R. Bloomberg
Michael R. Bloomberg, Mayor

Robert W. Walsh
Robert W. Walsh, Commissioner

ANGELA DOWD-BURTON
EXECUTIVE DIRECTOR, OEO

May 9, 2011

Ms. Adela Cepeda
A.C. Advisory, Inc.
99 Park Avenue
Suite 1560
New York, NY 10016

RE: **REGISTRATION NO:** 8654125IC
 CERTIFICATION DATE: December 30, 2010
 EXPIRATION DATE: December 31, 2015
 CERTIFICATION STATUS: Minority-Owned Business Enterprise (MBE), Woman-Owned
 Business Enterprise (WBE)
 EIN/SOCIAL SECURITY #: XX-XXX5157

Dear Ms. Cepeda:

This letter is to inform you that **A.C. Advisory, Inc.** has been placed in the City of Philadelphia Office of Economic Opportunity (OEO) Registry. The OEO Registry was established in accordance with Mayor Michael Nutter's "Inclusion Works" Economic Strategy. **A.C. Advisory, Inc.** will remain on the City's Registry as long as you remain certified by one of the approved agencies listed on our website.

Your placement in the OEO Registry offers you the following competitive advantages:

1. Your firm's participation on City of Philadelphia contracts can be counted towards M/W/DSBE participation ranges.
2. The OEO Registry is viewed by contractors and professionals seeking vibrant M/W/DSBEs as joint venture partners and sub-contractors.
3. Your company will automatically be contacted by the City's Procurement Department with an application to be placed on the Bidder's List (limited to competitive bids for service, equipment & supplies, and public works contracts).
4. City operating departments will use the OEO Registry as a sourcing tool for special projects.
5. The City of Philadelphia Commerce Department may contact your company to offer additional technical services to insure your success.

Please inform us if there are any material changes to your certification. These changes may include but are not limited to:

- 1) your company name;
- 2) contact information;
- 3) commodities/services that you are certified to provide; and/or
- 4) loss of certification

Your company will be located in our OEO Registry under the following Commodity Codes:


90108

Financial Consultant

(PS)

For more information about what the Office of Economic Opportunity and the Commerce Department Office of Business Services can do for you, please visit our website at www.phila.gov/business. If you have any questions, please feel free to give me a call at 215-683-2055.

Sincerely,


Angela Dowd-Burton
Executive Director

Cc: Caleb Gaines, Director of Federal Compliance & Certification - Transportation, Philadelphia International Airport
Kevin Dow, Chief Operating Officer and Deputy Director of Commerce, Commerce Dept.
Curtis J. Gregory, Director of Office of Business Services, Commerce Dept.
Marla Hamilton, Vice President, Development, PIDC
Hugh Ortman, Procurement Commissioner, Procurement Dept.
File