



THE IMPORTANCE OF AN EFFECTIVE INVESTOR RELATIONS PROGRAM

2015 Webinar Series: Save the Dates

May 20

Website Analytics

September 17

Human Resources Focus

June 16

Toll Payment Methods

November 10

Autonomous & Connected
Vehicles

June 23

European Interoperability

*All webinars are scheduled for 11:00am Eastern time.
Additional information will be posted at www.ibtta.org/webinars

Upcoming meetings

**IBTTA Maintenance & Roadway
Operations Workshop**
May 31-June 2 | Oklahoma City, OK
www.ibtta.org/oklahomacity
Registration Open

**Summit on All-Electronic Tolling,
Managed Lanes & Interoperability**
July 12-14 | Miami, FL
www.ibtta.org/miami
Registration Open. Agenda to be posted
this week!

IBTTA 83rd Annual Meeting & Exhibition
August 30-September 2 | Dublin, Ireland
www.ibtta.org/dublin
Registration Opening soon.

**IBTTA New Media, Communications &
Human Resources Workshop**
October 18-20 | Cleveland, OH
www.ibtta.org/cleveland
Call for Presentations coming soon!

Professional Development Hours & Logistics for Today

- Professional Development certificate: email kdavis@ibtta.org
- Four presenters
- Submit Questions via the Q&A Pod
- We'll be done by Noon
- Slides and audio will be on the website in a few days, www.ibtta.org/webinars

Our Experts

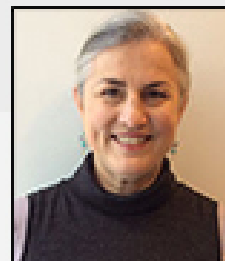
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Pennsylvania Turnpike Commission



PANELISTS

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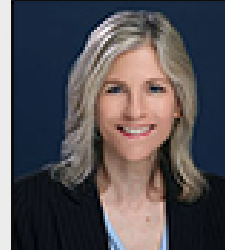
SUZANNE MAYES
Cozen O'Connor



AMY POTTER
Transportation Corridor Agencies

Not Pictured

MIKE MCDERMOTT
American International Group





SUZANNE MAYES

Counsel Perspectives for an Issuer's Investor Relations Program

IBTTA Webinar Presentation

May 11, 2015

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Overview - Current Regulatory and Enforcement Background

- The municipal securities market has seen heightened regulatory and enforcement activity in recent years--this requires greater caution in approaching investor relations programs.
- While there has been considerable focus on primary disclosure (e.g., pension disclosure), there has also been a focus on secondary market disclosure.
- There has also been enforcement activity oriented toward continuing disclosure concerns:
 - West Clark School District (Indiana) (10b-5 action related to misstatements about continuing disclosure history)
 - City of Harrisburg (public statements by officials considered to be actionable under 10b-5, particularly in light of failure of City to otherwise provide information to the markets pursuant to its undertakings)
 - Municipalities Continuing Disclosure Cooperation (MCDC) Initiative

Continuing Disclosure

- For public bond offerings--the issuer agrees to provide certain annual information and notices of certain specified events.
- Submitted electronically through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (referred to as "EMMA").
- Annual information consists of audited financial statements and financial and operating data regarding the issuer included in the official statement.
- SEC Rule 15c2-12 specifies events for which notice is to be provided.
- 2010 Amendments
 - Eliminated VRDO exemption prospectively
 - Expanded list of material events
 - Made certain events per se material
 - Moved from a standard that notices be provided "in a timely manner" to a bright line that requires notices to be provided within 10 business days after the occurrence of the relevant event

Differences between Required and Voluntary Secondary Market Disclosures

- Rule 15c2-12 Requirements
 - Contractual obligation, not a regulatory requirement for issuer; may be differing requirements over the course of different bond issues.
- Voluntary Secondary Market Disclosures
 - Common types of information include bank loan disclosures, issuer debt, investment and similar policies, interim (e.g., quarterly) financial and operating data, notices of new collective bargaining agreements.
 - Interim and unaudited financial and operating data requires consideration of disclaimers.
- Common Considerations for both Required and Voluntary Secondary Market Disclosures
 - EMMA is required means to disseminate Rule 15c2-12 required filings but can be used for voluntary filings as well.
 - Can disseminate through investor websites, and traditional and social media.
 - Regardless of the channel or formality, all these disclosures require care since SEC Rule 10b-5 applies which requires that the disclosures do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in the disclosure, in the light of the circumstances under which they were made, not misleading.

Considerations related to Managing Selective Disclosure Concerns

- One of the most pressing concerns related to an issuer providing information to investors, whether in-person, electronically through investor conferences, etc., is to avoid making selective disclosures of material non-public information to particular investors without prompt dissemination to the general public.
- SEC corporate guidance which does not formally apply to the municipal markets (Regulation FD) can suggest best practices for municipal issuers.
- Various statements by the SEC and the Municipal Securities Rulemaking Board have shown a particular concern for the needs of retail and smaller investors.
- This suggests the appropriateness of municipal market issuers focusing on selective disclosure issues given that smaller investors have tended to have poorer access to timely information.

Considerations related to Managing Selective Disclosure Concerns (continued)

- Under Regulation FD, if material, non-public information is made available to certain investors and analysts, it must be made available simultaneously (or promptly depending on whether intentionally or inadvertently made) in a broad, non-exclusionary dissemination.
- One approach used in the corporate sector is to make conference calls open to the public while putting participation by non-institutional investors (including the general public and the press) on a “listen-only” basis.
- Adequate notice of the time and manner of accessing the call (either by dialing in or by accessing a webcast) is needed.

Considerations related to Managing Selective Disclosure Concerns (continued)

- The SEC in the corporate context has proposed a combined approach for disseminating information.
- Would involve (i) issuing a press release containing the relevant material information, (ii) providing notice by a press release or website posting of the scheduled conference call, and (iii) holding the call in an open manner permitting investors to listen in by either phone or webcast.
- Another approach for communicating with investors would be to promptly post an audio file or written transcript of a conference presentation on the issuer's website.
- The issuer could issue a press release to provide notice of the posting of the information.

Applying Selective Disclosure Guidance:

What can be disclosed in a one-on-one call away from a transaction?

- Is the information being disclosed material?
- If the information being disclosed is not material there would not be a selective disclosure problem.
- Materiality analysis is not subject to bright lines--but contextual.
- Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision.

Applying Selective Disclosure Guidance:

What can be disclosed in a one-on-one call away from a transaction? (continued)

- If the information is material but is public, then there is not a selective disclosure problem.
- To be public, information must be directed through recognized channels of distribution.
- “Nonpublic information” for purposes of Regulation FD is information which has not been disseminated in a way calculated to reach investors generally.
- May be advisable for an issuer, in consultation with its advisors, to pre-clear topics that will be discussed with investors in order to avoid disclosing non-public information.

Applying Selective Disclosure Guidance:

What can be disclosed in a one-on-one call away from a transaction? (continued)

- The recipient of the information matters.
- The disclosure of material non-public information raises concerns (and likely requires public disclosure) if the disclosure is made to:
 - Securities market professionals (including investment advisers, investment managers and sell and buy-side analysts).
 - Investors for whom it is reasonably foreseeable would trade on the basis of the information.
- However, there is less of a concern in making disclosures to certain other stakeholders (e.g., a legislative committee) or as required by state law.

Maintaining Strong Continuing Disclosure Practices

- Instituting policies and procedures has been a focal point of the SEC; important to identify responsible official.
- A key component of policies and procedures is staff training.
- More issuers are using disclosure counsel and some are involving disclosure counsel in developing policies and procedures and conducting training.
- The foregoing are important to maintain continuity in case particular officials and staff depart.
- In addition to an issuer's internal checks, there are outside sources that can be used to monitor continuing disclosure:
 - Entities such as Digital Assurance Certification, LLC can be retained as a dissemination agent.
 - An issuer can arrange for reminders for annual information filings to be provided through the EMMA system.

Maintaining Strong Continuing Disclosure Practices (continued)

- Incorporating new official statements by reference through EMMA can help to provide timely updates for secondary market purposes.
- Before a new continuing disclosure undertaking is made, an issuer should consider whether its audit schedule will accommodate the proposed deadline (e.g., 150, 180, 210 days after the end of a fiscal year).

Maintaining Strong Continuing Disclosure Practices (continued)

- The Government Finance Officers Association (GFOA) and the National Federation of Municipal Analysts (NFMA) have emphasized designating a person to be available to field questions from all investors and potential investors (and others) in a uniform way.
- Legal perspective: Makes for an easier process to vet a proposed response.
- Reduces the risk of inadvertent inconsistencies in disclosure.
- Non-legal benefit of consistently presenting an issuer's message.

Investor Presentations in a New Bond Offering

- Investor roadshows and recorded presentations prepared for a new bond offering differ from other investor communications that occur outside of a bond offering.
- The information provided to investors in connection with a new bond offering (including in response to investor questions) needs to be limited to information that is within the preliminary official statement or derived from it.
- The communications made in investor roadshows are temporary (for example, investors do not take copies of slides with them).
- Ongoing communications may have more permanence (e.g., multiple years of CAFRs or pension actuarial statements posted to an issuer's website) which leads to concern for proper monitoring and updating.

Considerations related to Websites

- Should clearly demarcate investor information and portions of websites that serve various other purposes (e.g., marketing, public relations, customer information) and are generally presented with less formality and a different tone than disclosures prepared for investors.
- Placement:
 - Best practice is for an issuer to place a disclaimer as the first screen that appears after clicking on the investor relations tab on the issuer's website.
 - The reader can be required to acknowledge that it reviewed and understood the disclaimer before clicking further into the investor webpage.
- Elements of a Disclaimer:
 - Notification that information contained under the investor relations caption does not constitute an offer to sell or buy securities or a solicitation of such an offer and should not be the basis for making an investment decision.
 - Notice that information that has a dated date speaks as of such date and should not be assumed to be updated.
 - Forward-looking statements disclaimer similar to those used in offering documents.



Bank of America 
Merrill Lynch

SANDRA BRINKERT

Providing Investors the Information they Need

Access to timely information



Marketing a New Deal

- Full and complete disclosure in the offering document
- Investor Presentations –
 - Internet road show
 - In person meetings
 - One on one phone calls
 - Group lunches
 - Site Visit



Ongoing Communication

- Required annual and periodic updates
- Additional ongoing information
 - Monthly construction reports
 - Quarterly operating data
- Ad hoc phone calls and inquiries from investors



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Transportation Corridor Agencies

AMY POTTER



Effective Investor Relations Program – Issuer Perspective

Amy Potter, Chief Financial Officer
Transportation Corridor Agencies

International Bridge, Tunnel and Turnpike Association
May 11, 2015





Issuer Perspective on Investor Information

Issuers should focus on factors important to Investors and other financial stakeholders

- Agency Performance
 - Traffic and Revenue
 - Ratings Status
 - Financial reports
 - Debt/other metrics
- Capital plan
- Transparency and accessibility
 - CFO
 - Website
 - Board of Directors agendas / meetings
- Media Coverage – Agency response
 - Information builds confidence in management and Board leadership



Marketing a New Deal

Investor outreach prior to a bond transaction is essential:

1. Marketing typically occurs on a compressed timeline of 1-2 weeks
2. Issuer has unique opportunity to market its strengths
3. Each toll project is different – concise explanation is valuable to buyers
4. Toll revenue bond buyer base has expanded over time

Marketing Options

- Recorded internet roadshow
- Live roadshow presentations with Q&A
 - Significant investor presence in California, Chicago and Northeast
 - Opportunity to involve issuer's leadership
- One-on-one conference calls and meetings
- Site visits – if applicable
- Video – an effective tool to engage audiences and visually introduce a toll facility and its regional importance

Ongoing Communication

- Rating agencies
- Existing investors
 - Non-transaction meetings
 - Phone calls
 - Website





The Toll Roads Website


The Toll Roads
Username Account # / Username Password Password LOGIN
[Forgot Password?](#) | [Sign Up](#) | [Contact Us](#) | [En Español](#)

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About Us > Investor Information > Financial Reports

Overview Transaction Tables **Financial Reports** Disclosure Statements

Financial Reports



The Toll Roads 2013 ANNUAL REPORT

Current Annual Report/Financial Statements


[2013 Annual Report](#)
[2014 Foothill/Eastern Audited Financial Statements PDF](#)
[2014 San Joaquin Hills Audited Financial Statements PDF](#)


Current Budgets

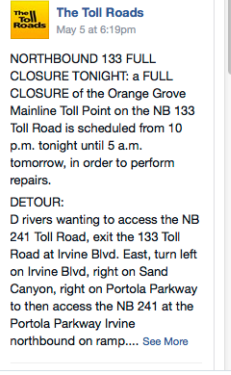
[Foothill/Eastern TCA Fiscal Year 2015 Budget PDF](#)
[San Joaquin Hills TCA Fiscal Year 2015 Budget PDF](#)
[Foothill/Eastern TCA Fiscal Year 2015 Budget Presentation PDF](#)
[San Joaquin Hills TCA Fiscal Year 2015 Budget Presentation PDF](#)

Previous Annual Reports/Financial Statements

[2013 Foothill/Eastern Audited Financial Statements PDF](#)
[2013 San Joaquin Hills Audited Financial Statements PDF](#)
[2012 Annual Report](#)
[2012 Foothill/Eastern Audited Financial Statements PDF](#)
[2012 San Joaquin Hills Audited Financial Statements PDF](#)

FEATURED VIDEOS

PREVIOUS NEXT

FACEBOOK
 **The Toll Roads**
Like 8,679



The Toll Roads
May 6 at 6:19pm

NORTHBOUND 133 FULL CLOSURE TONIGHT: a FULL CLOSURE of the Orange Grove Mainline Toll Point on the NB 133 Toll Road is scheduled from 10 p.m. tonight until 5 a.m. tomorrow, in order to perform repairs.

DETOUR:
Drivers wanting to access the NB 241 Toll Road, exit the 133 Toll Road at Irvine Blvd. East, turn left on Irvine Blvd, right on Sand Canyon, right on Portola Parkway to then access the NB 241 at the Portola Parkway Irvine northbound on ramp.... See More

Facebook social plugin

The Toll Roads
Username Account # / Username Password Password LOGIN
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Customer Service On The Roads What's Happening About Us
Google Custom Search Search

About Us > Investor Information > Transaction Tables > Monthly Statistics (133/241/261)

Overview Transaction Tables **Financial Reports** Disclosure Statements

Monthly Statistics (133/241/261)

FOOTHILL/EASTERN (133/241/261) TOLL ROADS
FISCAL YEAR = JULY 1 - JUNE 30

MONTH	TOTAL TRANSACTIONS	AVG DAILY TRANSACTIONS	AVG WEEKDAY TRANSACTIONS	TRANSACTIONAL TOLL REVENUE	ACCOUNT MAINTENANCE FEE REVENUE	AVG FASTRAK %
Mar-15	5,242,458	169,112	191,034	\$11,303,828	\$343,595	83.9%
Feb-15	4,587,808	148,136	187,798	\$9,863,424	\$345,476	84.7%
Jan-15	4,728,370	152,528	176,712	\$10,227,987	\$336,768	84.7%
Dec-14	4,771,351	153,915	173,536	\$10,261,667	\$336,064	84.4%
Nov-14	4,474,322	144,344	177,188	\$9,681,576	\$307,442	85.0%
Oct-14	5,027,691	162,184	180,934	\$10,314,114	\$309,308	85.7%
Sep-14	4,889,530	158,319	177,517	\$9,707,302	\$307,454	84.4%
Aug-14	4,772,509	153,952	176,092	\$10,681,098	\$308,558	85.6%
Jul-14	4,836,626	156,020	177,731	\$10,580,677	\$305,073	85.6%
Jun-14	4,889,755	158,689	177,285	\$9,814,275	\$344,576	86.6%
May-14	4,857,289	156,690	179,337	\$10,289,568	\$342,173	86.2%
Apr-14	4,819,022	155,624	179,371	\$10,118,520	\$334,846	86.4%
Mar-14	4,906,350	158,269	182,086	\$10,307,267	\$331,385	83.1%

Transaction Tables
Foothill/Eastern (133/241/261) Toll Roads
[Current Month Transactions](#)
[Monthly Statistics](#)
[Fiscal Year = July 1 - June 30](#)
[Month-over-Month Comparison](#)
[Annual Results](#)

San Joaquin Hills (73) Toll Road
[Current Month Transactions](#)
[Monthly Statistics](#)
[Fiscal Year = July 1 - June 30](#)
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Current Month Transactions (133/241/261)
FOOTHILL/EASTERN (133/241/261) TOLL ROADS
CURRENT MONTH TRANSACTIONS**Transaction Tables**
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[Annual Results](#)**San Joaquin Hills (73) Toll Road**
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[Month-over-Month Comparison](#)
[Annual Results](#)



MIKE MCDERMOTT

An Investor's View

- **Investor Requirements Differ**
 - Regulated institutional investors and other large institutional investors typically establish and monitor internal risk ratings which can be subject to documentation requirements
 - Others may rely on NRSRO
- **Disclosure Needs for Those with Internal Risk Ratings**
 - Current trends in operational data, construction updates, year to date financials
 - Current capital plan and toll plan
 - Copy of most recent presentation
 - For new/complex issues, the full consultant reports and an opportunity to speak with the consultants
- **What Is the Best Way to Provide Information to Investors**
 - An investor call (one-on-one or group calls) for initial issuance/complex transactions
 - An investor section of the website or a clearly identified location in the statistics or finance section
 - Hold and record an annual investor conference call to present financial results and capital development plan
 - Copy of most recent public presentation (i.e. one to rating agencies or at an investor conference)
- **Limited Info. or Lack of Clarity, Particularly Around Challenges Will Have an Impact**
 - May lead to lower internal exposure limits
 - May result in internal risk ratings falling faster or further than NRSRO ratings and a reduced position, weakening secondary pricing and future market access



Our Experts

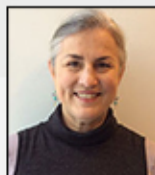
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