



Ethics Commission  
200 N Spring Street  
City Hall — 24th Floor  
Los Angeles, CA 90012  
(213) 978-1960  
ethics.lacity.org

# Form 56 Instructions

*Persons who seek selection as underwriting firms in noncompetitive sales of revenue bonds for the Los Angeles Department of Water and Power (DWP), Los Angeles World Airports (Airports), or the Port of Los Angeles (Harbor) are subject to gift restrictions and are limited in their ability to financially participate in City elections. They must certify that they have not exceeded specified gift or contribution limits during the 12 months prior to seeking selection as an underwriting firm. They are required to disclose their identities and the identities of their subcontractors and principals, and they and their subcontractors and principals are prohibited from making campaign contributions to and engaging in certain fundraising activity for City candidates and officeholders. Form 56 must be used for those purposes, and these instructions provide information about how to complete it.*

If you have questions about Form 56, please contact the Ethics Commission.

**(213) 978-1960**

**ethics.bidder@lacity.org**

## Underwriter Responsibilities

You are an underwriter required to complete Form 56 when both of the following apply:

- ◆ You seek selection as an underwriting firm in a **noncompetitive sale of revenue bonds**; and
- ◆ The City department making the selection is **DWP, Airports, or Harbor**.

Form 56 is used to disclose information about the following individuals and entities:

- ◆ You (the underwriter);
- ◆ Your principals;
- ◆ Your subcontractors with subcontracts valued at \$100,000 or more; and
- ◆ The principals of those subcontractors.

The gift and campaign finance restrictions and requirements in **Los Angeles City Charter § 609(e)** and **Los Angeles Municipal Code § 49.7.36** apply to all of those individuals and entities. They are subject to the laws because of the positions they hold in relation to a City bid, not because they are disclosed on your Form 56.

You are required to do all of the following:

1. **Submit** your Form 56 with your bid or proposal documents to the City department awarding the contract.
2. **Amend** your Form 56 within 10 days if the information in the form changes after you submit it with your bid.
3. **Notify** your principals and subcontractors of the gift and campaign finance restrictions and requirements that apply to them.



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# Form 56 Instructions

## Page 1: Cover Page and Underwriter Information

You must complete all sections on the cover page.

### **A. Original or Amended Filing**

**Original Filing** – Check this box if this is the first time you are submitting a Form 56 in connection with a noncompetitive sale of revenue bonds that you currently seek or have been awarded.

**Amended Filing** – Check this box if you are making changes to a Form 56 that was previously submitted in connection with the same noncompetitive sale of revenue bonds that you are seeking or have been awarded. For an amended filing, you must provide the later of:

- ◆ The date that your original Form 56 submission was signed, or
- ◆ The date that your most recent amendment was signed.

#### Example 1

*You submitted a Form 56 last month when responding to a solicitation by Harbor for a noncompetitive sale of revenue bonds. You are now responding to a solicitation from Airports for a different noncompetitive sale. Check the Original Filing box on this Form 56, because this is the first time you are submitting the Form 56 in connection with the underwriting contract with Airports.*

#### Example 2

*You submitted a Form 56 last week when responding to an RFQ from DWP for selection to a pre-qualified list of underwriting firms for the noncompetitive sale of revenue bonds. Your response to the RFQ is still pending with DWP. This week, your firm moved its offices to a new location. You are required to update your contact information on the Form 56 that you submitted with your response. Check the Amended Filing box, because you are submitting an updated version of the Form 56 that was submitted in connection with the same RFQ with DWP.*

### **B. Reference Number**

If applicable, provide the bid number, contract number, RFP or RFQ number, or other identifying number or code assigned to the bid or potential contract that you seek. You can usually find this number on the City solicitation package (e.g., the RFP or RFQ documents). However, not all solicitations have a reference number.

If there is no reference number for the bid or contract, enter “N/A” in this box.

### **C. Date Bid Submitted**

Enter the date that you submit your bid or response documents to the City department making the selection.

### **D. Description of Contract**

Provide the following information in this section:

- ◆ Title of the RFP or RFQ as listed on the City solicitation documents; and
- ◆ Description of the contract sought.

A brief description of the contract is usually given in the RFP, RFQ, or solicitation documents.



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## **E. City Department Awarding the Contract**

Provide the name of the City department that will be selecting one or more underwriting firms.

## **F. Underwriter Information**

Provide all of the following information:

- ◆ Your full legal name;
- ◆ Your street address;
- ◆ Your telephone number; and
- ◆ Your email address.

The email address and telephone number provided in this section will be used to contact you if there are questions about the information provided in your Form 56. Remember to amend your Form 56 to keep this information current.

## **G. Schedule Summary**

### **1. Schedule A – Underwriter’s Principals**

In this section, indicate whether you have principals to disclose. Check only one box in this section. As the underwriter identified on the Form 56 cover page, your **principals** include all of the following:

- ◆ Underwriter’s parent, subsidiary, or other related business entity;
- ◆ A political action committee (PAC) controlled or primarily financed by the underwriter or by a business entity related to the underwriter as a parent, subsidiary, or other related business entity;
- ◆ Underwriter’s President, Board Chair, Chief Executive Officer, or Chief Operating Officer;
- ◆ A Vice President, Assistant Vice President, or Managing Director employed in the public finance unit of the underwriter;
- ◆ An individual who communicates with one or more City officers or employees to influence the City’s selection of an underwriter for a particular bond issue; and
- ◆ A person who holds an ownership interest of at least 20% in the underwriter.

Check the **first box** if you are an individual and do not have other principals.

Check the **second box** if you are an entity (corporation, company, partnership, organization, syndicate, etc.) or if you are an individual who has other principals. Attach to the cover page as many Schedule A pages as necessary to identify all of your principals.

*Most underwriters are entities that have principals. So most underwriters must check the second box and attach Schedule A pages to the cover page.*

### **Example**

*You are putting together a proposal in response to a solicitation from DWP on behalf of your employer, Underwriting Professionals, Inc. and must complete a Form 56. Because Underwriting Professionals, Inc. is an entity, you must check the second box and disclose Underwriting Professionals, Inc.’s principals on attached Schedule A pages.*



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## **2. Schedule B – Subcontractors and Their Principals**

In this section, indicate whether you have one or more subcontractors with subcontracts valued at \$100,000 or more on the City contract you seek. Check only one box in this section.

Check the **first box** if you do not have subcontractors with subcontracts worth \$100,000 or more.

Check the **second box** if you do have subcontractors with subcontracts worth \$100,000 or more. Attach to the cover page as many Schedule B pages as necessary to identify all of your subcontractors and their principals.

### Example 1

*You are submitting a response to a solicitation from Harbor and must submit a Form 56. For the proposed sale of revenue bonds, you expect to have a subcontract with Banking Company worth \$500,000, and Investments Corporation as another subcontractor that will provide \$25,000 worth of services. Check the second box and attach Schedule B pages to disclose Banking Company and its principals.*

### Example 2

*You are submitting a response to an RFQ with Airports and must submit a Form 56. For the proposed bond sale, you expect to subcontract with Bankers, Inc., which will perform \$75,000 worth of consulting services, and with Investors Plus Company, which will perform \$50,000 worth of accounting services. You do not anticipate having any other subcontractors. Check the first box, indicating that you do not have subcontractors with subcontracts valued at \$100,000 or more.*

## **3. Total Number of Pages Submitted**

Enter the total number of Form 56 pages that you are submitting, including the cover page and all attached Schedule A and B pages.

## **H. Underwriter's Certification**

Form 56 must be signed by an officer of the underwriter. By signing this section, you are certifying under penalty of perjury all of the following:

- ◆ In the past 12 months, **neither you nor your principals** have made one or more gifts totaling \$50 or more, or one or more political contributions totaling \$100 or more, to any of the following:
  - An elected City official;
  - A member of the board of the department whose bonds are the subject of the sale; or
  - A City official with the authority to make or participate in making decisions concerning the sale or the bonds;
- ◆ You **understand** and **will comply** with the requirements and restrictions under Charter § 609(e) and Los Angeles Municipal Code § 49.7.36;
- ◆ You have **notified** your principals and subcontractors of the requirements and restrictions; and
- ◆ The information you provided in the Form 56 and all attached pages is **true and complete** to the best of your knowledge and belief.



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# Form 56 Instructions

## Page 2: Schedule A — Underwriter's Principals

You must complete this section to disclose your principals. See page 3 of these instructions for a definition of “principal”.

Provide the name, title, and address for each of your principals. If you need more space, mark the box indicating that you are attaching additional Schedule A pages. You may attach as many additional Schedule A pages as necessary to disclose all of your principals.

***Remember to include all attached Schedule A pages in the total page count on your cover page.***

## Page 3: Schedule B — Subcontractors and Their Principals

You must complete this section to disclose your subcontractors with subcontracts worth \$100,000 or more. You must also disclose the principals of those subcontractors. “Principal” is defined differently for your subcontractors than it is for you as the bidding underwriter.

A ***principal of a subcontractor*** includes any of the following:

- ◆ The subcontracting firm or individual;
- ◆ Subcontractor's Board Chair;
- ◆ Subcontractor's President;
- ◆ Subcontractor's Chief Executive Officer;
- ◆ Subcontractor's Chief Operating Officer;
- ◆ An individual who serves in the functional equivalent of one or more of the above positions;
- ◆ An individual who holds an ownership interest in the subcontractor of 20% or more; and
- ◆ An individual who communicates with one or more City officers or employees for the purpose of influencing the City's selection of an underwriter for a particular bond issue.

You must submit at least one Schedule B page for each subcontractor. Provide the name and address of the subcontractor, and then mark the appropriate box to indicate whether the subcontractor has principals.

If a subcontractor has more principals than will fit on one page—or if you have multiple subcontractors to disclose—mark the box indicating that you are attaching additional Schedule B pages. You may attach as many additional Schedule B pages as necessary to disclose all of your subcontractors with subcontracts worth \$100,000 or more and all of their principals.

***Remember to include all attached Schedule B pages in the total page count on your cover page.***