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Morgan Stanley Cut From NYC's Senior Muni Bond Underwriters.

New York City cut Morgan Stanley from the ranks of its senior general obligation and Transitional Finance Authority bond underwriters, while elevating Samuel A. Ramirez & Co. and Royal Bank of Canada.

New York, one of the largest issuers of municipal bonds in the \$3.7 trillion market, plans to issue about \$14 billion of general-obligation bonds and \$15.2 billion of Transitional Finance Authority debt in the next four fiscal years, according to the city's financial plan.

The Transitional Finance Authority was created in 1997 to circumvent limits on New York City general-obligation bond sales. State law doesn't allow it to file for bankruptcy and they are backed by the city's income tax, and if needed, its sales tax.

Morgan Stanley's demotion comes five months after the eliminated about 25 percent of its fixed-income staff. The investment bank is included as a senior co-manager for the city's GO and TFA debt.

Mark Lake, a spokesman for Morgan Stanley, declined comment. Carol Kostik, deputy comptroller for public finance, wasn't immediately available for comment, a spokesman said. New York City Mayor Bill de Blasio's office didn't immediately respond to a request for comment.

"Ramirez is thrilled to be added to the GO and TFA syndicate," said Ramirez president and chief executive officer Samuel A. Ramirez. "We are honored to serve the City and we look forward to continuing our work with them for many years."

"We are delighted to be selected. We appreciate the confidence shown in our firm by the City of New York," said John Puig, Managing Director and Co-Head of the New York Municipal Finance Group for RBC.

In addition to Samuel A. Ramirez and RBC, the city's senior GO and TFA bond managers include Bank of America Merrill Lynch, Siebert Brandford Shank & Co., Goldman Sachs Group Inc. Jefferies Group LLC, Wells Fargo Corp., Citigroup Inc., JPMorgan Chase & Co. and Loop Capital Markets LLC.

Cities and states typically pick new underwriting groups every few years to spur competition and respond to staff changes at investment banks. The underwriting group, or syndicate, announced by New York Thursday replaces one set up in December 2012.

Bloomberg Business

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May 5, 2016 — 2:10 PM PDT Updated on May 5, 2016 — 2:47 PM PDT

