Presentation for NARUC

National Association of Regulatory Utility Commissioners

February 2020
**CL King is the Pre-eminent Women-Owned Broker/Dealer**

**100% Women-Owned Since Founding in 1972**

- Headquartered in Albany with major presence in New York City

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**OWNERS**
Candace King Weir, Founder/President
Amelia Weir, Shareholder
Katherine Weir, Shareholder

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**C.L. King & Associates**
- Full-service investment bank
- Only Nasdaq Market Maker in peer group
- 51 employees in 5 offices
- Strong capital base to handle large underwriting commitments

**Paradigm Capital**
- Sister firm to CL King
- Traditional institutional asset manager
- $1B assets under management

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**CL King Overview – 4 Divisions**

**Investment Banking**
- Capital Markets
- Share Repurchase
- Advisory

**Fixed Income**
- Sales & Trading
- New Issue Syndicate
- Substantial Inventory

**Equities**
- Fundamental Research
- Sales & Trading
- New Issue Syndicate

**Operations**
- Clearing through Hilltop Securities
- Strong Back Office Team Experience
- Robust Compliance

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Certified WBENC
Women’s Business Enterprise
Diversity-Owned Financial Services Firms

One Third of Firms are Women-Owned

Share and Types of Diversity-Owned Financial Services Firms

- Veteran: 15%
- Women: 32%
- African-American: 28%
- Hispanic/Latino: 15%
- Asian: 6%
- American Indian: 2%
- Service Disabled Veteran: 2%
- American Indian: 2%

Obtaining minority-owned business enterprise (MBE) or woman-owned business enterprise (WBE) certification could open many new doors for business growth.

These certifications can connect you with larger corporations looking to work with your business, since many big companies — as well as government agencies at every level — set spending goals or targets for businesses owned by minorities and/or women.

1. Diversity Broker-Dealer Coalition, as of October 2019
Certifying Organizations

- **Women’s Business Enterprise National Council (WBENC)**
  - WBENC is the largest third-party certifier of businesses owned, controlled, and operated by women in the United States. WBENC partners with 14 Regional Partner Organizations (RPOs) to provide its world-class standard of certification to women-owned businesses throughout the country. WBENC is also the nation's leading advocate of women-owned businesses and entrepreneurs. → [www.wbenc.org](http://www.wbenc.org)

- **National Minority Supplier Development Council (NMSDC)**
  - The NMSDC is the only national minority business development organization providing certification throughout the United States where MBEs are genuinely minority-owned and operated. The NMSDC Network includes 23 Regional Councils across the country and 1,750 corporate Members. → [www.nmsdc.org](http://www.nmsdc.org)

- **Disadvantaged Business Enterprise (DBE)**
  - DBEs are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. → [www.mwbe-enterprises.com](http://www.mwbe-enterprises.com)

- **Hispanic-Owned Business Enterprise (HOBE)**
  - As an economically disadvantaged segment of the U.S., Hispanic business owners can take advantage of several helpful resources that help with the growth and promotion of their business within Corporate America. → [www.ushcc.com](http://www.ushcc.com)

- **Service-Disabled Veteran-Owned Small Business (SDVOSB)**
  - The Department of Defense (DoD) has undertaken an outreach effort to identify small businesses owned and controlled by veterans and service-disabled veterans. The DoD outreach effort aims to improve prime and subcontracting opportunities for veteran and service-disabled veteran-owned small businesses. → [www.sba.gov](http://www.sba.gov)

- **Hispanic Chamber of Commerce (USHCC)**
  - The USHCC connects Hispanic business owners with corporations and local chambers of commerce throughout the U.S. With over 4.2 million Hispanic-owned businesses in the country, this organization serves as a bridge between small businesses and large corporations looking to diversify their supply chain. → [www.ushcc.com](http://www.ushcc.com)

- **Veteran Chamber of Commerce (USVCC)**
  - The United States Veterans Chamber of Commerce (USVCC) is a 501c3 and 501c6 veteran organization connecting corporate America, government, and small businesses to our Nation’s veterans and veteran owned businesses. → [www.vccsd.org](http://www.vccsd.org)
The Increasing Place of Women-Owned Banks in Bond Issuance Trend

► The emergence of minority underwriters has its roots in the 1980s- and 90s-era municipal bond boom; cities and states began requiring a portion of their bond offerings to be sold by minority-owned banks. Those rules encouraged under-represented groups to found their own firms, spurring the creation of brokerages including African American-owned firms such as Williams Capital and Loop Capital, and adding new business opportunities to already established firms such as C. L. King (founded in 1972).

► In 2017 when Microsoft Corp. issued $10 billion in a 7-part deal, lead underwriters Barclays Plc and HSBC Holdings Plc each sold $960 million of bonds. Firms owned by minorities, women and veterans, including Blaylock Van and Drexel Hamilton, were left with $10 million each. While many of the diversity firms cannot take on more because of their limited capital size, a few diversity-owned and women-owned firms have grown their capital base. For the past decade, the software company has partnered with minority-owned banks in every bond and commercial paper sale.

Women-Owned underwriters’ participation in new debt issuance grows consistently over the years

Source: Bloomberg as of December 31, 2019
## CL King’s Commitment to Utility Sector

<table>
<thead>
<tr>
<th>State</th>
<th>Company/Issuer</th>
<th>Amount</th>
<th>Type</th>
<th>Manager/Co-Manager</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NORTH CAROLINA</strong></td>
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<tr>
<td></td>
<td><strong>Duke Energy</strong></td>
<td>$200 million</td>
<td>FRN Senior Notes</td>
<td>Joint Book-Running Manager</td>
<td>Nov 2019</td>
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<tr>
<td><strong>FLORIDA</strong></td>
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<td></td>
<td><strong>NextEra Energy</strong></td>
<td>$1 billion</td>
<td>First Mortgage Bonds</td>
<td>Co-Manager</td>
<td>Oct 2019</td>
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<tr>
<td><strong>MISSOURI</strong></td>
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<td></td>
<td><strong>Ameren Missouri</strong></td>
<td>$330 million</td>
<td>First Mortgage Bonds</td>
<td>Co-Manager</td>
<td>Sep 2019</td>
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<td><strong>GEORGIA</strong></td>
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<td></td>
<td><strong>Georgia Power</strong></td>
<td>$750 million</td>
<td>Co-Manager</td>
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<td><strong>ARIZONA</strong></td>
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<td></td>
<td><strong>APS</strong></td>
<td>$300 million</td>
<td>Co-Manager</td>
<td></td>
<td>Aug 2019</td>
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<td><strong>CALIFORNIA</strong></td>
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<td></td>
<td><strong>Southern California Edison</strong></td>
<td>$1.2 billion</td>
<td>First and Refunding Mortgage Bonds</td>
<td>Co-Manager</td>
<td>Aug 2019</td>
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<td><strong>ILLINOIS</strong></td>
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<td><strong>PEPCO</strong></td>
<td>$109.5 million</td>
<td>Pollution Control Revenue Bonds for Municipalities</td>
<td>Underwriter</td>
<td>Jun 2019</td>
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<td><strong>MISSOURI</strong></td>
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<td></td>
<td><strong>SPIRE</strong></td>
<td>$250 million</td>
<td>Preferred Stock</td>
<td>Co-Manager</td>
<td>May 2019</td>
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<td><strong>FLORIDA</strong></td>
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<td><strong>NextEra Energy</strong></td>
<td>$2.7 billion</td>
<td>First Mortgage Bonds</td>
<td>Co-Manager</td>
<td>Mar 2019</td>
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<tr>
<td><strong>NORTH CAROLINA</strong></td>
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<td></td>
<td><strong>Depositary Shares of 5.75% Series A Preferred Stock</strong></td>
<td>$1 billion</td>
<td>Co-Manager</td>
<td></td>
<td>Mar 2019</td>
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<td><strong>TEXAS</strong></td>
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<td><strong>CenterPoint Energy</strong></td>
<td>$700 million</td>
<td>General Mortgage Bonds</td>
<td>Co-Manager</td>
<td>Jan 2019</td>
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</tbody>
</table>
Duke Energy Florida Issues 2yr FRN

Transaction details

Issuer: Duke Energy Florida, LLC
Issue Date: November 21, 2019
Ratings: A3 (Moody's) / A- (S&P)
Security Description: Series A Floating Rate Senior Notes
Issue Currency / Size: $200M
Tenor: 2 year
Maturity Date: November 26, 2021
Coupon: 3mL + 25bps
Benchmark: Three-month LIBOR

Use of proceeds: To fund storm restoration costs related to Hurricane Dorian and General Corporate Purposes

CL King Role: Joint Book-Running Manager
CL King Orders: $19.53M

Investor Analysis

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1. Security ratings. The ratings are subject to change or withdrawal at any time by the respective credit rating agencies.
Citi Marks the First Deal of 2020 for CL King

<table>
<thead>
<tr>
<th>Transaction details</th>
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<tbody>
<tr>
<td><strong>Issuer</strong></td>
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<td><strong>Issue Date</strong></td>
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<tr>
<td><strong>Ratings</strong></td>
</tr>
<tr>
<td><strong>Security Description</strong></td>
</tr>
<tr>
<td><strong>Issue Currency / Size</strong></td>
</tr>
<tr>
<td><strong>Tenor</strong></td>
</tr>
<tr>
<td><strong>Maturity Date</strong></td>
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<tr>
<td><strong>Benchmark Treasury</strong></td>
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<tr>
<td><strong>Spread to Benchmark Treasury</strong></td>
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<table>
<thead>
<tr>
<th>Use of proceeds</th>
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</thead>
<tbody>
<tr>
<td>General corporate purposes, including funding its operating units and subsidiaries, financing possible acquisitions or business expansion and refinancing or extending the maturity of existing debt obligations.</td>
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<thead>
<tr>
<th>CL King Role</th>
<th>Junior Co-Manager</th>
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<tbody>
<tr>
<td><strong>CL King Orders</strong></td>
<td>$26.5M</td>
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<tr>
<td><strong>CL King Allocations</strong></td>
<td>$5M Allocations + $7.5M Designation</td>
</tr>
</tbody>
</table>

**CL King’s orderbook details**
- Orders from 7 accounts and one CL King designated order from large public fund
- CL King accounts included Family Offices, Proprietary Trading Firms, Wealth Managers and Insurance Companies
- The final books were 2x oversubscribed, at $4.5B

**Transaction highlights**
- Corporate borrowers continued issuance in US high-grade primary market on January 22, 2020 and were greeted with enthusiasm from investors that led to oversubscribed books, upsized deals and super-tight pricing levels
- $9.65B were raised by seven issuers that day
- On Citi deal, initial price thoughts emerged at T+105 area, guidance was later tightened to T+90bps
- The deal priced at $2.25bln 2.666% 1/29/31 100.00 2.666% T+90 (Back end - SOFR+114.6)
- Comparable transactions used for relative value included:
  - C 2.976% 11NC10 Nov 2030 at G+91bp
  - MS 11NC10 (A3/BBB+) 2.699% Jan 2031 at G+90bp
- The new issue concession was flat versus recent Morgan Stanley deal, priced on January 16<sup>th</sup> 2020
- Other participating diversity firms included American Veterans Group, Blaylock Van, Loop Capital Markets, R. Seelaus & Co. and Roberts & Ryan Investments

1. Security ratings. The ratings are subject to change or withdrawal at any time by the respective credit rating agencies
Length of Ownership of Women-Owned Financial Service Firms

► C.L. King & Associates (CL King) was founded by Candace King Weir in 1972 and is the oldest continually 100% women-owned financial services firm in the United States.

► Since inception, CL King has evolved from an institutional equity research boutique to a leading diversity full service investment bank.

► CL King’s 48 year history has allowed the firm to develop strong relationships with corporate clients but also to forge synergetic relationships with other women-owned firms.

Number of Years under Women Ownership¹

1. From Company websites
Do You Have Any Questions?

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Founded 1972
100% Women-Owned
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