



The Public Advocate

for the City of New York

Letitia James – Public Advocate

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December 3, 2015

Mike Pederson, President and Chief Executive Officer
Bharat Masrani, Chairman of the Board
TD Bank, N.A.
1701 Route 70 East
Cherry Hill, New Jersey 08034

Bob Dorrance, Chairman, Chief Executive Officer, and President
TD Securities (USA) LLC
31 West 52nd Street
New York, New York
10019-6101

Dear Messrs. Pederson, Masrani, and Dorrance:

Yesterday, in San Bernardino, two shooters killed 14 people and wounded 21 people. News reports indicate that the shooters used two Smith & Wesson firearms: a Smith & Wesson M&P 15 .223-caliber assault rifle and a Smith & Wesson handgun.¹ Many of the victims appear to have been municipal employees who were attending a holiday party.

I am writing to you because the institutions that you head appear to have directly lent money to Smith & Wesson Holding Corporation and Smith & Wesson Corp. (collectively, “Smith & Wesson”) and have facilitated the financing of Smith & Wesson by acting as a joint lead arranger and joint book runner. On June 15 of this year, your institutions entered into an agreement to lend money to and facilitate the issuance of debt totaling \$280 million.² In particular, I note that TD Bank appears

¹ Andrew Blankstein & Alastair Jamieson, *San Bernardino Shooters Used Four Guns, Explosive Device*: ATF, NBC NEWS (Dec. 3, 2015), available at <http://www.nbcnews.com/storyline/san-bernardino-shooting/san-bernardino-shooters-used-four-guns-explosive-device-atf-n473286>; Ian Lovett, Richard Pérez-Peña, Michael S. Schmidt & Laurie Goodstein, *San Bernardino Shooting Investigators See Terrorism Links*, N.Y. TIMES (Dec. 3, 2015), available at <http://www.nytimes.com/2015/12/04/us/san-bernardino-shooting.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=a-lede-package-region®ion=top-news&WT.nav=top-news>.

² Credit Agreement dated as of June 15, 2015 among Smith & Wesson Holding Corporation and Smith & Wesson Corp., as Borrowers, The Subsidiaries of the Borrowers Party Hereto, as the Guarantors, TD Bank, N.A., as the

to have been the lead bank among several in connection with the issuance of debt to Smith & Wesson. This unsecured credit facility includes a \$175 million revolving line of credit and a \$105 million term loan.³

Your institution has millions of dollars in contracts with the City of New York.⁴ I believe that the decision to continue to transact business with the gun industry raises potential concerns regarding the risk analysis and decision making processes employed by your firm. In deciding which financial institutions it continues to transact business with, or to which it awards future contracts, the City should take those concerns into account.

I am therefore writing to you in my capacity as Public Advocate for the City of New York to urge you to undertake the following steps immediately:

- (1) Review your agreement with Smith & Wesson and consider terminating the agreement;
- (2) Publicly disclose the amount and justification for all fees and interest income received in connection with your institutions' underwriting or lending activities with Smith & Wesson;
- (3) Donate all fees and interest income received in connection with your institutions' underwriting or lending activities with Smith & Wesson to organizations working to end gun violence;
- (4) Review your other business dealings with firearm manufacturers and terminate those dealings as soon as possible, donate all fees and interest income received from those dealings to organizations working to end gun violence; and
- (5) Publicly pledge that your institutions will not engage in business dealings of any variety with manufacturers of firearms.

I hope that we can work together to limit the horrific impact of gun violence in America.

Please contact my office by December 10, 2015 to explain what your institutions will do to end their relationships with Smith & Wesson and other manufacturers of firearms.

Sincerely,



Letitia James
Public Advocate for the City of New York

Administrative Agent and The Other Lenders Party Hereto From Time to Time, TD Securities (USA) LLC, as Joint Lead Arranger and Joint Book Runner, Branch Banking and Trust Company, as Joint Lead Arranger, Joint Book Runner and Co-Syndication Agent, Regions Business Capital, as Joint Lead Arranger and Joint Book Runner, Regions Bank, as Co-Syndication Agent and Wells Fargo Securities, LLC, as Joint Lead Arranger, Joint Book Runner and Co-Syndication Agent (filed with the U.S. Securities Exchange Commission), available at: http://www.sec.gov/Archives/edgar/data/1092796/000156459015005183/swhc-ex10113_201504301176.htm.

³ Smith & Wesson Holding Corporation, Form 10-K (June 22, 2015), available at <http://www.sec.gov/Archives/edgar/data/1092796/000156459015005183/0001564590-15-005183-index.htm>.

⁴ Checkbook NYC provides a list of transactions between TD Bank N.A. and the City of New York. http://checkbooknyc.com/smart_search?search_term=%7C*vendor_names=td%2Bbank%2Bna.