



The Public Advocate
for the City of New York

Letitia James – Public Advocate

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June 15, 2016

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

Dear Messrs Pederson and Masrani:

Early Sunday morning, a shooter murdered forty-nine people celebrating Pride Month at Pulse, a nightclub in Orlando, Florida. News reports indicate that the shooter had with him an AR-style Sig Sauer MCX assault rifle and a Glock 9 mm handgun. In his car outside the nightclub, the shooter left behind a Smith & Wesson revolver. The reports that have emerged indicate that this mass shooting was a hate crime directed at LGBTQ people.

I am writing to you because the institution that you head has facilitated financing to the manufacturer of the assault rifle that the Orlando shooter is reported to have used inside the club as well as the manufacturer of his back-up handgun. Today, I ask that you cease all business relations with Sig Sauer, Smith & Wesson, and all other manufacturers of firearms.

Loans to Sig Sauer Inc.

Bloomberg data indicates that your bank was lead underwriter on a financing deal with Sig Sauer Inc. (the U.S. subsidiary of Sig Sauer GmbH and L&O Sig Sauer Verwaltungs-GmbH). Specifically, on December 11, 2015, your bank entered into an agreement to serve as book runner, lead arranger, agent, and lender to Sig Sauer for an unsecured revolving loan facility of \$55 million, and two unsecured term loans of \$53 million and \$70 million – resulting in the company's receipt of a total \$178 million in financing.

The Sig Sauer assault rifle used by the Orlando shooter was an AR 15 type rifle. As has been covered extensively in the news media, the AR 15 rifle is an adaptation of a military assault rifle.

It has become the “gold standard for mass murder of innocent civilians,” in the words of the lawyer representing victims of the mass shooting at Sandy Hook Elementary School. AR 15 rifles were used by the shooters at Sandy Hook, Aurora, San Bernardino, and Roseburg, Oregon. It was developed to kill people efficiently and easily.

Loans to Smith & Wesson Holding Corp. and Smith & Wesson Corp.

I have previously written to you about your financing of Smith & Wesson Holding Corporation and Smith & Wesson Corp. (collectively, “Smith & Wesson”). On December 3, 2015, I wrote to you asking that you consider terminating your loan agreement with Smith & Wesson in the wake of the San Bernardino shootings. In San Bernardino, the shooters used a Smith & Wesson M&P 15 .223 caliber assault rifle and a Smith & Wesson handgun to kill 14 people and wound 21 people. Six months before this atrocity, your bank had entered into an agreement to act as a joint lead arranger and joint book runner in the issuance of debt by Smith & Wesson totaling \$280 million.

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Your decision to provide financing to these companies, and to collect fees and payment in return, has consequences. As I noted in my December letter, the decision to repeatedly transact business with the gun industry raises concerns regarding the risk analysis and decision making processes employed by your firm. At a time when many Americans express outrage at the behavior of big banks in underwriting bad practices, I urge you to re-consider your role as a financier of companies that manufacture weapons that are used by mass murderers.

Today, I again ask that you undertake the following steps:

- (1) Review your agreements with Sig Sauer Inc. and Smith & Wesson and consider terminating the agreements;
- (2) Publicly disclose the amount and justification for all fees and interest income received in connection with your institution’s underwriting or lending activities with Sig Sauer Inc. and Smith & Wesson;
- (3) Donate all fees and interest income received in connection with your institution’s underwriting or lending activities with Sig Sauer Inc. and 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 institution will not engage in business dealings of any variety with manufacturers of firearms.

You have the opportunity to be a voice of leadership and to work towards a safer and more just society. I urge you to renounce those profits that you have received by dint of your financing of manufacturers of firearms.

Please contact my office by June 21, 2016 to discuss this matter.

Sincerely,

A handwritten signature in cursive script that reads "Letitia James". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Letitia James

Public Advocate for the City of New York