



# STONE & YOUNGBERG AND MISSION-BASED INVESTING

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INCE OUR FOUNDING in 1931, Stone & Youngberg has built its business on the principal that a firm flourishes when it puts client interests ahead of its own. For eight decades we have followed this rule, and today we remain a profitable institution. As Stone & Youngberg celebrates its 80th anniversary, we are understandably proud in an industry where few organizations will reach such a milestone.

Stone & Youngberg is a national leader in public finance, our core business since the Great Depression. Quite simply, our banking practice operates to help state and local governments access debt financing through the capital markets so that they can more cost-effectively provide the facilities and services citizens expect.

Over the past five years alone as sole, lead, or co-managing underwriter, our firm has structured and sold more than \$21 billion of municipal securities, representing close to 1,000 separate transactions, for all types of public issuers. During this period we underwrote more California and Arizona municipal bonds than any other firm, and we remain the most active underwriter of redevelopment financings nationally. In short, the impact that we have on our stakeholders is significant.

## Growing Strategically Amid Industry Consolidation

While other San Francisco and Wall Street firms have failed, merged, or been acquired, Stone & Youngberg has expanded its employment opportunities. Over the last several years we have increased our ranks by more than 50 percent: we now employ 220 people, with more than half (125) based in our San Francisco headquarters in the historic Ferry Building. Our firm offers a range of employment opportunities in our Public Finance, Municipal Sales and Trading, Retail Sales, and Middle Market Institutional Sales departments. Leveraging our strength in California, we have become national in scope with eight offices in six states throughout the United States.

Stone & Youngberg's growth has come from executing our business plan to expand in all fixed-income markets and wealth management. Over the years we have diversified our core securities business with trading desks that buy and sell a wide range of taxable and tax-exempt fixed income product, while we have developed a wealth management investment practice that helps individuals build and maintain their financial portfolios. We currently manage more than \$5 billion in assets under custody for more than 7,000 clients.

## Attracting, Developing, and Retaining Intellectual Capital

Stone & Youngberg takes pride in professional excellence. We understand that the success of each employee determines the success of our firm. We are committed to helping our employees reach their full potential by providing a challenging, collegial workplace that encourages and enables our staff to help our clients achieve their financial goals. As a result, we enjoy one of the lowest levels of turnover in the financial services industry. We attract the very best talent among people who share our passion, creativity, and integrity.

We are a privately-held, employee-owned organization committed to upholding the business principles that have defined Stone & Youngberg for 80 years:

- *Clients First* — We always put our clients' interests first. Experience shows that if we serve our clients well, success will follow.
- *Assets* — Our assets are our people, capital, and reputation. We cannot compromise any of these without putting our business at risk.
- *Integrity* — At Stone & Youngberg, integrity is paramount to maintaining our corporate culture and our reputation in the industry. We expect our employees to meet the highest standards in both their professional and personal lives.
- *Professional Excellence* — We take pride in professional excellence. We strive to be the best in all aspects of our business, and will settle for nothing less.
- *Teamwork* — To achieve success, we expect our employees to put the interests of the firm and its clients ahead of their own. We believe teamwork is essential to achieving the best results.

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## Partnering with Our Clients

At Stone and Youngberg, we recognize the value associated with supporting the communities in which we live, work, and conduct business. Over our 80-year history, we have built a national reputation for helping state and local governments, educational institutions, and non-profits access capital to support community revitalization and development projects, clean air and water infrastructure, new school construction, parkland and open space acquisition, and a variety of other community needs. The projects Stone & Youngberg has helped finance have brought jobs to cities and towns, restored “brown fields” and other blighted areas, revitalized distressed neighborhoods, and strengthened the services provided by non-profit organizations.

*Community development:* The long-term viability of a community lies in the creation and sustainment of jobs, increased sales and other tax revenues, and the development of housing and commercial opportunities. Stone & Youngberg has raised more capital through tax increment financing for economic development and redevelopment than any other investment bank in the country. Over the past five years, our firm underwrote 82 transactions totaling \$2.3 billion, nearly twice as much debt (by par amount) as our nearest competitor.

*Environmental improvement:* Stone & Youngberg started its public finance business during the Depression by refinancing bonds for distressed irrigation districts up and down California’s Central Valley. Since then, we have expanded our practice to include projects that promote environmental sustainability through alternative energy, clean air, and clean water. Financing has been secured for municipal water and wastewater treatment systems, electric utilities making the transition to “green” energy, renewable energy projects for cities and schools, and mass transportation. From 2006-10, we underwrote close to \$8 billion of bonds where the proceeds were used for these types of projects.

*Public education:* Though the core of our education financing is in traditional K-12 projects, we have also raised capital for public K-12 charter schools, community colleges, and higher education. Stone & Youngberg dominates the market for school bonds in both California and Arizona. Through our work with issuers in those two states alone, we have helped local communities educate their citizenry by underwriting 467 bond issues over the past five years totaling over \$8 billion. In Arizona, our education transactions include financing for schools that serve students living on American Indian reservations.

*Non-profit services:* An important component of the underwriting and private placements we do for communities is the assistance we provide to non-profit organizations. When we help community service and other agencies access the municipal market, they can raise much-needed capital at the lowest possible interest rates. Stone & Youngberg works closely with traditional capital market participants, including conduit issuers, bond attorneys, rating agencies, and letter of credit banks, and with retail and institutional investors to facilitate financing for these entities.

Additionally, we sponsor industry associations in which our public finance clients participate. These organizations provide development opportunities for their members and improve communication around common areas of interest.

## Helping in Our Communities

Finally, a hallmark of Stone & Youngberg is the firm’s financial sponsorship of civic and charitable causes. More importantly, the active participation of our firm employees in non-profit organizations in their communities helps make these cities and towns better places to live.

Following is a partial list of organizations that Stone & Youngberg or its employees support:

Arizona Association of School Business Officials (AASBO) • Audubon Canyon Ranch • California Association of School Business Officials (CASBO) • California Center for Creative Land Recycling • California First Tee • Center for Education About Sustainable Agriculture • City of Dreams • The Community Foundation - Richmond, VA • Coro Center for Civic Leadership • Council of Development Finance Agencies • East Meets West Foundation - Healthy Heart Program in Vietnam • Emeryville Festival of the Arts • Escondido California Center for the Arts • Exploratorium • Government Finance Officers Association of Arizona (GFOAz) • Great Valley Center • Green Dot Schools • Los Angeles County Museum of Art • Philanthropic Ventures Fund • National TIF Coalition • Rancho Cucamonga Community Foundation • Salesian Boys' and Girls' Club • San Francisco School Alliance: Benjamin J. Baum Scholarship • San Francisco Child Abuse Prevention Center • Stanford Haas Center for Public Service • St. Anthony's Foundation • Tenderloin Neighborhood Development Corporation • University of California Berkeley Executive Seminar at the Goldman School of Public Policy • Virginia Economic Developers Association • Wintergreen Nature Foundation • YMCA



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Source of 2006-10 underwriting data: Thomson Reuters 2011

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