The ABC’s of Banking Law: Get the Basics

Agenda

8:30 a.m.  Registration and Coffee

9:00 a.m.  Introductions

9:30 a.m.  Overview of Bank Regulatory Structure and Law
Karol Sparks, Barack Ferrazzano Kirschbaum & Nagelberg LLP

This class provides a chronological review of the major banking legislation from the passage of the National Bank Act in 1864 through the Dodd-Frank Act with particular emphasis on the legislation that created the federal banking agencies and the mandate of those agencies. The class will include a review of the organization and structure of each of the agencies, a brief discussion of the dual banking system and a description of the role of state bank regulators.

10:30 a.m.  Industry Structure, Bank and Holding Company Powers and Regulatory Themes
Lissa L. Broome, Wachovia Professor of Banking Law, University of North Carolina School of Law

This class explores the structure of the industry and the basic powers limitation so the various entities in the structure. The dual banking system and preemption are highlighted. The session describes the regulatory themes that provide the basis for U.S. bank regulation, including limited entry, the separation of banking and commerce, the protection of the insured depository institution, the implied federal subsidy of deposit insurance, limitations on size and other themes are developed in a way that allows the class to move seamlessly to an application of those themes to the debate on financial remedial efforts to address the market turmoil of 2008.

11:30 a.m.  Break

11:45 a.m.  Understanding a Bank Through its Financial Statements
Lawrence G. Baxter, Duke Law School; Lissa L. Broome, University of North Carolina School of Law; Scott A. Cammarn, Cadwalader, Wickersham & Taft LLP; John L. Douglas, Davis Polk & Wardwell LLP; Eugene M. Katz, Wells Fargo & Company; Karol K. Sparks, Barack Ferrazzano Kirschbaum & Nagelberg LLP

This class will analyze the basic bank balance sheet and earnings statement with a view to understanding how banks gather funds, redeploy them and earn money. Emphasis will be placed on current events that have reshaped bank balance sheets and the causes of such changes. The guidelines of the federal banking regulators governing the measurement of capital held by banking organizations will play a central role in the class. The session also includes a detailed discussion of the proposed Basel III capital guidelines and the changes wrought by the Dodd-Frank Act. The use of capital in other safety and soundness regulations sets the stage for the classes on affiliate transactions and lending.

12:45 p.m.  Luncheon
1:30 p.m.  **Prudential Limitations and Safety and Soundness**  
*Scott A. Cammarn, Cadwalader, Wickersham & Taft LLP*

This class provides an overview of all of the various types of regulations that govern lending by banks, with a particular focus on the safety and soundness regulations of loans to one borrower and loans to insiders under Regulation O of the Federal Reserve Act. Sections 23A and 23B of the Federal Reserve Act and the Federal Reserve’s Regulation W on affiliate transactions are perhaps the key safety and soundness measures of the Federal Reserve to protect banks, and this class will address this key structure in detail.

2:30 p.m.  **Activities and Investment Limitations**  
*Lawrence G. Baxter, Professor of the Practice, Duke Law School*

This class focuses on an overview of permitted financial activities, including those that are financial in nature at the holding company and those that are the business of banking in the national bank. The securities activities are broken down into permissible underwriting and dealing and investment and agency. The class closes with a survey of permissible controlling and non-controlling investments.

3:30 p.m.  **Break**

3:45 p.m.  **Supervision, Examination and Enforcement**  
*Eugene M. Katz, Wells Fargo & Company*

The supervisory approach of the federal banking regulators and their exam process is markedly different from the more traditional interaction of investment banks with the SEC. This class explores those differences in approach, in the exam process itself, in any remedial actions to be taken to address exam issues and, finally, in the use of certain formal and informal enforcement tools in public or non-public proceedings. There is a practical emphasis on dealing with examiners, preparing for exams by the bank regulators and in responding to exam findings and criticisms.

4:45 p.m.  **Deposit Insurance, Failure and Resolution**  
*John L. Douglas, Davis Polk & Wardwell LLP*

This class involves a discussion of regulations governing insured bank deposits and the cost of deposit insurance. It then provides a detailed review of the failure and resolution process from the point of an adverse exam and a formal or informal enforcement action to the point of appointment of the FDIC as receiver for a bank and the alternatives available to the FDIC to resolve a failing bank. There will be some comparison and contrast of the FDIC receivership for insured depository institutions, the bankruptcy process for the parent holding company and other corporate affiliates and the Orderly Liquidation Authority of the Dodd-Frank Act.

5:45 p.m.  **Networking Reception**
Faculty

Lawrence G. Baxter

Lawrence Baxter is Professor of the Practice at Duke Law School, where he leads an interdisciplinary program on modernizing the regulatory state, with an initial focus on the regulation of financial services organizations in the wake of the financial crisis. He was a member of the faculty from 1986 to 1995, and rejoined the Duke Law faculty in 2009 after working with Wachovia, first as special counsel for Strategic Development, then corporate executive vice president founding Wachovia’s Emerging Businesses and Insurance Group and E-Business Group, and finally as chief e-commerce officer from 2001 to 2006. Professor Baxter participates in the Duke in D. C. program and teaches domestic and international banking regulation, and ethics. He has his LL.B. and BComm from the University of Natal, a Diploma in Legal Studies and L.L.M. from the University of Cambridge, and a Ph.D. in Law and Government Regulation from the University of Natal.

Lissa L. Broome

Lissa Broome is the Wachovia Professor of Banking Law at the UNC School of Law and Director of the school's Center for Banking and Finance. She teaches banking law and secured transactions. Broome also serves as the University’s Faculty Athletics Representative to the ACC and the NCAA. Professor Broome is the co-author of one of the leading banking law texts, Regulation of Bank Financial Service Activities, now in its fourth edition. She earned a B.S. from the University of Illinois and a J.D. from Harvard University.

Scott A. Cammarn

Scott Cammarn is Special Counsel at Cadwalader, Wickersham & Taft LLP. Mr. Cammarn has more than twenty years of experience in the banking industry and his legal career has spanned all areas of banking compliance and consumer finance law. His practice focuses on regulatory matters, mergers and acquisitions, legislation and lobbying, corporate affairs, training, and antitrust. Cammarn has represented a number of nationally-recognized consumer lending institutions, and has represented clients before the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and numerous state banking departments.

Cammarn has been an adjunct professor at Duke Law School, teaching the U.S. Banking Regulation course. Currently, he is a member of the ABA Business Law Section/Banking Law Committee and is a member of the Board of Advisors of the UNC School of Law Center for Banking and Finance Law. He is a frequent speaker on bank regulatory matters and has provided corporate executive training. He has a BA from The Ohio State University and a J.D. from Duke Law School.

John L. Douglas

John Douglas is a partner in Davis Polk & Wardwell’s Financial Institutions Group, heading the firm’s bank regulatory practice and focusing on bank restructuring and resolutions and other issues arising from the current banking and financial crisis. Mr. Douglas has been involved in some of the most difficult and sensitive matters during the crisis, including advising the boards of directors of IndyMac and Bank United, counseling Citigroup with respect to FDIC matters, advising various parties on the fallout from the failure of Washington Mutual, and advising various private equity firms on proposed investments in troubled or failed banks.

Douglas was appointed General Counsel of the Federal Deposit Insurance Corporation in 1987 and continued in that capacity through 1989. This was a period of unprecedented stress on the financial system, and he was involved in the major bank failures and restructurings of the late 1980s, participated in the landmark Financial Institutions Regulatory Reform and Restructuring Act of 1989 and assisted in the organization of the Resolution Trust Corporation. Mr. Douglas is the Director of the Financial Services Volunteer Corp. and a member of many other non-profit and professional organizations, including the Board of Advisors for the UNC School of Law Center for Banking and Finance. He received a B.A. from Davidson College and a J.D. from the University of Georgia School of Law.

Eugene M. Katz

Gene Katz is Senior Company Counsel (Regulatory and Compliance) for Wells Fargo & Company in Charlotte. Prior to Wachovia’s merger into Wells Fargo, Katz was Senior Vice President and Assistant General Counsel of Wachovia Corporation, where he served as the company’s principal regulatory counsel. He was previously in private practice in Washington, D.C. and in Charlotte, representing and counseling institutional and individual clients on financial services regulatory, enforcement, and compliance matters. He formerly served as Director of the Litigation Division of the Office of the Comptroller of the Currency and as the Principal Deputy Chief Counsel of the Office of Thrift Supervision.

Katz has served as Vice-Chair of the Banking Law Committee of the American Bar Association’s Business Law Section, and as the founding chair of the Subcommittee on In-House Counsel. He is a member of the Board of Advisors of the UNC School of Law’s Center for Banking and Finance. He has served on the adjunct faculty of the Duke University School
of Law and as a lecturer for examiner training programs of the Federal Financial Institutions Examination Council. He received his B.A. and J.D. degrees from Tulane University.

**Karol K. Sparks**

Karol Sparks is a partner in the Barack Ferrazzano Kirschbaum & Nagelberg's financial institutions group. Ms. Sparks’ practice concentrates on corporate activities and regulatory issues of financial institutions, about which she has counseled banks for over thirty years. Her special emphasis is on the distribution of nontraditional bank products, including annuities, insurance, mutual funds, prepaid cards and other deposit account access devices, and the myriad federal and state laws and regulations that apply to those activities. She is the author of Insurance Activities of Banks, the definitive text on that subject.

Sparks taught banking and commercial law at the University of Iowa College of Law from 2001 to 2008 and has been a guest lecturer on banking law at the respective law schools of Northwestern, Boston University, American University, and George Washington University. She currently is an adjunct professor at Wake Forest University School of Law, teaching contract drafting and secured transactions. Ms. Sparks is a past chair of the Banking Law Committee of the Business Section of the American Bar Association (1998-2002), having been an active member of the committee since 1985. She was a member of the Council of the Business Law Section of the ABA, the governing body of that organization, for a term ending in August 2008. She is Vice Chair and a member of the Publications Board of the Business Law Section. She serves on the Board of Advisors for the UNC School of Law Center for Banking and Finance. Ms. Sparks received a B.A. from Butler University and a J.D. from Indiana University School of Law.

**Venue:**

Offices of Moore & Van Allen, PLLC in Charlotte, North Carolina

**Registration:**

$325 for 6 hours of CLE (Includes lunch, break refreshments, and a networking reception)*

*If you sign up also for the Banking Institute, March 29-30, at The Ritz-Carlton, Charlotte, NC, you will receive a $50 reduction in the fee for that program. Participants at the Banking Institute receive a copy of the North Carolina Banking Institute journal, lunch on March 29, a networking reception on March 29, and breakfast on March 30. Separate tickets for dinner on March 29 may also be purchased for $70. The Beischer Address will be presented following dinner by Jeffrey M. Lacker, President, Federal Reserve Bank of Richmond.

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