The ABCs of Banking: Get the Basics

Agenda - March 20, 2013

8:30 a.m.  Registration and Coffee

9:00 a.m.  Introductions

9:30 a.m.  Overview of Bank Regulatory Structure and Law
            Karol K. 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, University of North Carolina School of Law and the Center for Banking and Finance

            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 Dodd-Frank Act.

11:30 a.m.  Break

11:45 a.m.  Understanding a Bank through its Financial Statements
            Lissa L. Broome, University of North Carolina School of Law; 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 & Safety and Soundness
Scott A. Cammarn, Cadwalader, Wickersham & Taft

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.  Activity and Investment Limitations
Saule Omarova, University of North Carolina School of Law

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
Mark C. Kanaly, Alston + Bird, 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.
Panelists

Lissa L. Broome

Lissa Broome is the Wells Fargo Professor of Banking Law at the University of North Carolina School of Law and Director of the school's Center for Banking and Finance. She teaches banking law and secured transactions. Professor 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. Professor Broome earned a B.S. from the University of Illinois and a J.D. from Harvard University.

Scott A. Cammarn

Scott Cammarn is a partner 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. Mr. 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.

Mr. Cammarn has been an adjunct professor at Duke University School of Law, teaching the US 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. Mr. Cammarn has a B.A. from The Ohio State University and a J.D. from Duke University School of Law.

Mark C. Kanaly

Mark Kanaly is a partner in Alston + Bird's Financial Services & Products Group in Atlanta. Mr. Kanaly focuses on the representation of banks and other financial institutions, as well as real estate investment vehicles such as REITs. He has counseled a host of distressed financial institutions and their boards of directors, as they have grappled with the challenges posed by the current financial and real estate environment. Mr. Kanaly received a B.S.E. in finance from the Wharton Business School of the University of Pennsylvania and a J.D. from the University of Oklahoma.

Eugene M. Katz

Gene Katz is Senior Company Counsel (Regulatory and Compliance) for Wells Fargo & Company in Charlotte, North Carolina. Prior to Wachovia’s merger into Wells Fargo, Mr.
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, DC 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.

Mr. 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 University of North Carolina School of Law's Center for Banking and Finance. Mr. Katz 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. Mr. Katz received his B.A. and J.D. degrees from Tulane University.

Saule T. Omarova

Saule Omarova is an Assistant Professor of Law at the University of North Carolina. Prior to joining the UNC Law School faculty, Professor Omarova practiced law in the financial institutions group of Davis Polk & Wardwell, a premier New York law firm, where she specialized in a wide variety of corporate transactions and advisory work in the area of financial regulation. In 2006-2007, she served at the U.S. Department of the Treasury as a Special Advisor for Regulatory Policy to the Under Secretary for Domestic Finance. Her primary research and teaching interests include regulation of financial institutions, banking law, international finance, and corporate finance. Professor Omarova received her Diploma (B.A. equivalent) from the Department of Philosophy of Moscow State University, her Ph.D. in Political Science from the University of Wisconsin-Madison and her J.D. from Northwestern University School of Law.

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. Ms. Sparks is the author of Insurance Activities of Banks, the definitive text on that subject.

Ms. 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. Ms. Sparks 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.