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TO: All New York State Authorized Private Bankers

FROM: Linda A. Lacewell, Superintendent of Financial Services

DATE: March 27, 2020

RE: Wild Card Relief to Allow Private Bankers to Co-Locate with Certain Businesses

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This is to notify all New York State authorized private bankers (“Private Bankers”) that, pursuant to Section 12-a of the New York Banking Law (the “Banking Law”), the Department of Financial Services has taken action to relieve Private Bankers from the prohibition against locating in the same room with, or in a room connecting with, any bank, trust company, savings bank, or national bank, as required by Section 163 of the Banking Law. This action puts Private Bankers on an equal footing with national banking associations, which are Private Bankers’ counterpart federally chartered banking institutions under Section 12-a of the Banking Law.

Section 163 of the Banking Law provides that the “office of a private banker shall not be located in the same room with, or in a room connecting with, any bank, trust company, savings bank, or national bank.” Section 7.3001 of the regulations of the Office of the Comptroller of the Currency, 12 CFR §7.3001, permits a national banking association to share space with one or more other businesses, subject to certain conditions, including the condition that such other business is conspicuously, accurately, and separately identified, and including conditions relating to shared employees.

A Private Banker (the “applicant”) has applied for relief from the above-referenced prohibition pursuant to Section 12-a of the Banking Law, which is known as the “Wild Card” provision. The Wild Card provision is designed to allow New York State chartered banking institutions, defined to include Private Bankers, to exercise any right, power, privilege or benefit, or any activity or transaction, which their federally chartered counterparts may lawfully exercise or engage in, whether directly or indirectly, as provided therein, subject to such terms and conditions as the Superintendent finds necessary and appropriate.

Approving the applicant’s application is consistent with the requirements of Section 12-a of the Banking Law, as it: (i) is consistent with the policy of the state of New York as declared in Section 10 of the Banking Law and thereby protects the public interest, including the interests of depositors, creditors, shareholders, stockholders and consumers; and (ii) will provide parity between Private Bankers and their federally chartered counterparts.

Accordingly, pursuant to the authority under Section 12-a (3) of the Banking Law, the Superintendent has approved the applicant’s application for the requested relief: to the extent that a national banking association would be able to do so, a Private Banker may locate its office in the same room with, or in a room connecting with, any bank, trust company, savings bank, or

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national bank, provided that such Private Banker shall abide by the conditions set forth in 12 CFR §7.3001, including that the Private Banker shall insure that the business of the Private Banker and each such other business is conspicuously, accurately, and separately identified, and shall abide by the conditions relating to shared employees. The Superintendent has determined to make such approval applicable to all Private Bankers. This action is effective immediately.