

NEW YORK STATE DEPARTMENT  
OF FINANCIAL SERVICES

In the Matter of

PROMONTORY FINANCIAL GROUP, LLC

**AGREEMENT**

**WHEREAS** from approximately 2009 through 2011, Promontory Financial Group, LLC (“Promontory”) conducted a historical transaction review for Standard Chartered Bank to identify transactions with certain countries or entities subject to sanctions;

**WHEREAS** throughout 2010 and 2011, Promontory provided numerous reports and presentations to the predecessor agency of the New York State Department of Financial Services (the “Department”);

**WHEREAS** the Department initiated an investigation of Promontory on September 4, 2013 and issued a Report on Investigation on August 3, 2015;

**NOW THEREFORE**, to resolve this matter, Promontory and the Department (collectively, the “Parties”) agree as follows:

1. Promontory acknowledges that any report it submits to the Department must be objective and reflect its best independent judgment. In all pending and future matters in which it or its client submits a report to the Department, Promontory will document any changes to such a report that it makes at the suggestion of a client or the client’s counsel.

2. In certain instances, Promontory’s actions in this engagement did not meet the Department’s current requirements for consultants performing regulatory compliance work for entities supervised by the Department.

## **Monetary Payment**

3. Within thirty days of executing this Agreement, Promontory shall pay to the Department \$15 million. Promontory agrees that it will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the payment made pursuant to this Agreement.

## **Voluntary Abstention from Access to §36(10) Information**

4. Promontory will not accept any new engagements that would require the Department to authorize the disclosure of confidential information under New York Banking Law §36(10) to Promontory during the six-month period following the date of this Agreement, but this voluntary abstention will not apply to any existing Promontory engagements.

5. After the expiration of the six-month period, the Department will not deny a request to authorize the disclosure of §36(10) confidential information to Promontory based on the findings in the Report on Investigation.

## **Breach of the Agreement**

6. In the event that the Department believes Promontory to be in material breach of the Agreement, the Department will provide written notice to Promontory and Promontory must, within ten business days of receiving such notice, or on a later date if so determined in the Department's sole discretion, appear before the Department to demonstrate that no material breach has occurred or, to the extent pertinent, that the breach is not material or has been cured.

7. The Parties understand and agree that Promontory's failure to respond or appear within the time period designated in Paragraph 6 shall be presumptive evidence of Promontory's breach. Upon a finding that Promontory has breached this Agreement, the Department has all

the remedies available to it under New York Banking and Financial Services Laws, including but not limited to an order pursuant to Banking Law § 36(10) and Financial Services Law § 302(a) barring regulated financial institutions from sharing confidential supervisory information with Promontory, and may use any and all evidence available to the Department in any ensuing hearings, notices, orders and other remedies that may be available.

### **Waiver of Rights**

8. The Parties understand and agree that no provision of this Agreement is subject to review in any court or tribunal outside the Department.

### **Parties Bound by the Agreement**

9. This Agreement is binding on the Department and Promontory, as well as any successors and assigns that are under the Department's supervisory authority, but this Agreement does not bind any federal or other state agency or any law enforcement authority.

10. Except as otherwise provided in this Agreement, no further action will be taken by either Party against the other concerning the Department's investigation of Promontory.

11. Notwithstanding any other provision in this Agreement, however, the Department may undertake additional action against Promontory for transactions or conduct that Promontory did not disclose to the Department in the written materials Promontory submitted to the Department in connection with this matter.

### **Notices**

12. All notices or communications regarding this Agreement shall be sent to:

For the Department:

Mari S. Dopp  
Assistant Counsel  
New York State Department of Financial Services  
One State Street  
New York, NY 10004

Mark S. Silver  
Assistant Counsel  
New York State Department of Financial Services  
One State Street  
New York, NY 10004

For Promontory:

Joyce Payne Yette  
Managing Director and General Counsel  
Promontory Financial Group, LLC  
801 17th Street, NW, Suite 1100  
Washington, DC 20006

**Miscellaneous**

13. This Agreement may not be amended except by an instrument in writing signed on behalf of all Parties to this Agreement.

14. Except as otherwise provided herein, each provision of the Agreement will remain in force and effect until stayed, modified, terminated or suspended in writing by the Department.

15. No promise, assurance, representation or understanding other than those contained in the Agreement has been made to induce any party to agree to the provisions of the Agreement.

16. Promontory shall, upon request by the Department, provide all documentation and information reasonably necessary for the Department to verify compliance with the Agreement.

17. This Agreement may be executed in one of more counterparts, and shall become effective when such counterparts have been signed by each of the Parties thereto.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be signed this 18th day of August, 2015.

PROMONTORY FINANCIAL GROUP, LLC      NEW YORK STATE DEPARTMENT OF  
FINANCIAL SERVICES

By: \_\_\_\_\_  
**EUGENE LUDWIG**  
**Chief Executive Officer**

By: \_\_\_\_\_  
**ANTHONY J. ALBANESE**  
**Acting Superintendent of Financial Services**