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## **PANEL TO HELP NEW YORK RETAIN STATUS AS WORLD FINANCIAL CAPITAL**

Governor Eliot Spitzer today signed an executive order creating a commission to identify ways for New York to retain and enhance its status as a world financial capital.

“The financial world has changed and we must change with it to retain our leadership position,” Governor Spitzer said. “This panel will help the state bring its regulatory structure into the 21<sup>st</sup> Century, encouraging the use of cutting edge technology and techniques to provide capital, insurance and other services to companies and individuals around the country and the globe.”

The New York State Commission to Modernize the Regulation of Financial Services, which will include representatives from industry, consumer groups and government, will review all current financial services statutes, regulations, rules and policies and propose legislative and other necessary changes.

State Insurance Superintendent Eric Dinallo, who will chair the new commission, said: “Current laws and regulations in New York do not work for the industry or the consumer. Financial services companies claim that they face unnecessary regulatory hurdles in bringing new products to market. Consumer advocates claim that public awareness about the risks and costs of what are fundamentally the same financial products can vary depending upon the state agency that is doing the regulating. We must develop new laws and regulations that promote competition and the growth of business, while effectively protecting both consumers and honest businesses from unfair or unethical practices.”

Four separate New York state agencies—the Insurance Department, the Banking Department, the Department of State and the Attorney General’s Office—all regulate the financial services industry. This regime of state regulation was created at a time when federal laws (such as the now repealed Glass-Steagall Act) restricted the commercial activities of financial services firms, financial markets were fragmented and largely national rather than global in scope, and the activities of banks, insurance companies and securities firms were clearly distinguishable.

As financial services companies have become increasingly similar in their products, their management of business risk, and their financial structure, the State’s regulatory regime has failed to change with the times. Many believe the result is burdensome and inconsistent state regulation, which drives up the cost of doing business, treats functionally equivalent business activities inconsistently, and fails to effectively protect the consumer.

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The Commission will be charged with identifying ways in which regulatory powers could be integrated, rationalized, and changed in order to promote economic innovation and protect the consumer.

The Commission will have members appointed by the Governor, including: (a) the Superintendent of Banks, the Secretary of State, the Chairperson of the Consumer Protection Board, and the Attorney General; (b) the Chairs of the Assembly and Senate Banking and Insurance Committees; and (c) additional members appointed by the Governor, including representatives of the insurance, banking and securities industries, other business leaders and consumer groups. (Full list of members attached).

The commission staff will include experts from industry, consumer organizations and government. They will be organized into working groups by topic and asked to review all current statutes, regulations, rules and policies and compare them to best practices.

The commission will make detailed recommendations for administrative and legal reform by June 30, 2008.

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## **MEMBERS OF THE NEW YORK STATE COMMISSION TO MODERNIZE THE REGULATION OF FINANCIAL SERVICES**

### Insurance

Herbert M. Allison, Jr., Chairman, President and CEO, TIAA-CREF  
Christopher M. Condrón, Chairman and CEO, AXA Equitable  
C. Robert Henrikson, Chairman of the Board, President and CEO, MetLife  
Martin J. Sullivan, CEO, American International Group

### Securities

Lloyd C. Blankfein, Chairman of the Board and CEO, The Goldman Sachs Group  
Stephen M. Cutler, Executive Vice President and General Counsel, JPMorgan Chase  
Charles Prince, Chairman and Chief Executive Officer, Citi

### Banking

Michele F. Imbasciani, Senior Vice President Region Executive, New York Metro Region,  
Banco Popular N.A.  
Thomas A. Renyi, Chairman and CEO, Bank of New York  
Seth Waugh, CEO, Deutsche Bank Americas  
Robert G. Wilmers, Chairman of the Board and CEO, M&T Bank Corp.  
Deborah C. Wright, President, Carver Federal Savings Bank

### Business Community and Consumers

Kenneth Adams, President and CEO, Business Council of New York State Inc.  
Stephen Brobeck, Executive Director, Consumer Federation of America  
Sarah Ludwig, Executive Director, Neighborhood Economic Development Advocacy Project  
Kathryn Wylde, President and CEO, Partnership for New York City

### Lawyers with Financial Services Expertise

H. Rodgin Cohen, Chairman, Sullivan & Cromwell, LLP  
Wolcott B. Dunham, Jr., Partner, Debevoise & Plimpton, LLP  
Theodore A. Levine, Of Counsel, Wachtell Lipton Rosen & Katz  
John W. Moscow, Partner, Baker & Hostetler, LLP  
L. Edward Shaw, Jr., Senior Managing director of Richard C. Breeden & Co.

### Government

Mindy Bockstein, Chairperson & Executive Director, NYS Consumer Protection Board  
Eric Corngold, Executive Deputy Attorney General for Economic Justice  
Lorraine A. Cortés-Vázquez, Secretary of State  
Eric R. Dinallo, Superintendent of Insurance, Chair of the Commission  
Patrick Foye, Chairman, Empire State Development Corp.  
Timothy F. Geithner, President, Federal Reserve Bank of New York  
Robert Hermann, Director, Governor's Office of Regulatory Reform  
Richard H. Neiman, Superintendent of Banks  
Mary Schapiro, Chairman and CEO, NASD  
Diana L. Taylor, Managing Director, Wolfensohn & Company, LLC, former state Superintendent of Banks

### State Legislature

Chairs of the Senate and Assembly Committees on Banking and Insurance