

July 3, 2009

To friends of the [Mutual Private Bank project](#):

This is the third monthly project update to friends of the [Mutual Private Bank project](#). If you were not on the mailing list for the first two monthly reports, you can view them by [clicking here for May](#) and [here for June](#). Also, you can see project background and additional material on the [project website](#).

### **Results of first Prospective Charter Members Meeting held June 24**

We invited a number of groups, primarily single family offices, to meet in New York on June 24 to discuss their interest in the mutual private bank project and potentially joining a formation group to support a bank application to launch the bank. Among our guests were: a representative of a prominent Houston family; a patriarch of a large New York family; a large multi-family office; and, later in the week I met other principals of a family, one of whom flew from Florida. I was joined at the Wednesday meeting by three other project team members: George Bollenbacher, Aileen Doherty, and Gayllis Ward. You can see the presentation material on the [Project Confidential page](#) of the project website (password required). Please contact me if you do not already have a password.

The meeting went very well. We received great feedback and input from the principals, continued interest, and offer of ongoing support. Some of the principals agreed to work with us to further develop the business plan and may participate in the formation group. In the meantime, they urged us to continue pursuing other single-family offices to broaden the participation.

Interestingly, the most urgent need, and the issue that motivated all of them to come to the meeting, is to find un-conflicted successor trustees. They believe a mutually owned private bank is the best option they have seen to provide them the control, objectivity, and assurance of continuity in this important fiduciary service. In addition, the principals said that a small firm is preferable to a large firm, and would not want the mutual private bank to grow beyond serving a certain number of families out of concern for loss of service quality and influence in governance. Lastly, the families seek significantly better treasury services than are generally offered by banks (even the biggest banks) to small organizations such as family offices. A mutual private bank could make the investment in providing such services without concern for the internal rate of return on the project so long as the members are willing to pay for the service.

The primary concern raised by the group is the potential impact of the federal government's bank regulatory reforms on the federal mutual charter, and implications for our business plan. We are monitoring this closely, and have discussed the matter with our counsel in Washington D.C. as well as a senior representative of the American Bankers Association. While we believe that the

federal mutual charter will continue to be available in the future, we are also developing alternative plans that will preserve the spirit of the mutual while using other formation options.

## **Next Steps**

We are commencing the next phase of the project, which is to establish a formation group. The project team has several priorities:

- clarify bank application and charter questions raised by the principals;
- pursue discussions with one or more of the principals that attended the meeting to make a more formal commitment to the project;
- develop additional detail in the business plan to ensure the scope of services and operational requirements are well understood.

## **Additions to the Project Team**

I am truly delighted to report that Gayllis Ward has joined our project team and agreed to disclose her involvement in the project. Gayllis is a tax and trust professional with deep experience in private banking. I worked with Gayllis at Fiduciary Trust Company International where she was Head of Tax Services. Prior to Fiduciary Trust, Gayllis worked for Deutsche Bank's Private Bank. She now is Director of Planned Giving at Cato Institute. You can read her biography on the [Team page of the project website](#).

I am also happy to report that Jon Bosco, owner of eDelta Consulting, is assisting the project team. I worked with Jon at Fiduciary Trust where he was an internal auditor. Jon and his firm have deep experience in audit, controls, compliance, operations, and technology.

While we have four project team members listed in the project website, more than two dozen experienced professionals have assisted the project to some extent, and ten are assisting in the business planning.

Please do not hesitate to contact me to discuss your interest in this project. I would be happy to meet you when and where it is convenient for you.

**Happy July 4, and God Bless America!**

Best regards,

Stephen J. Tall  
Project Leader

Please feel free to forward this report to others whom you think would be interested in learning more about this project.

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See Mutual Private Bank project website:

[www.mutualprivatebank.com](http://www.mutualprivatebank.com)

Read about Mutual Private Bank project in CNBC European Business magazine:

<http://cnbceb.com/banking-managed-funds-and-investments/bank-balancers/968/>

Review Mutual Private Bank proposed services; vote and comment, add your ideas:

[www.mpb.slinkset.com](http://www.mpb.slinkset.com)