



**Conditional Approval #1077  
August 2013**

July 10, 2013

Beth Lanier, Esq.  
Bryan Cave LLP  
One Atlantic Center, 14<sup>th</sup> Floor  
1201 W. Peachtree St., NW  
Atlanta, GA 30309

Re: Application to merge GLOBALT, Inc., Atlanta, Georgia, with and into Synovus Trust Company, National Association, Columbus, Georgia (“Application”)  
Application Control Number (“ACN”): 2013-NE-215a3-133941

Dear Ms. Lanier:

The Office of the Comptroller of the Currency (“OCC”) hereby conditionally approves the application by Synovus Trust Company, National Association, Columbus, Georgia (“Bank”) to merge GLOBALT, Inc., Atlanta, Georgia (“GLOBALT”), with and into the Bank, under 12 U.S.C. § 215a-3 (the “Merger”). This approval is granted after a thorough evaluation of the Application, other materials supplied by the Bank’s representatives, and other information available to the OCC, including commitments and representations made in the Applications and by the Bank’s representatives during the application process. The OCC’s approval is also subject to the conditions and pre-consummation requirements set out herein.

**Background**

The Bank is a national bank whose operations are limited to those of a trust company and related activities. It does not accept deposits and is not insured by the Federal Deposit Insurance Corporation (“FDIC”). The Bank is wholly-owned directly by Synovus Bank, Columbus, Georgia, a Georgia state chartered FDIC insured bank, and indirectly by Synovus Financial Corp., (“SFC”) a publically traded, financial holding company headquartered in Columbus, Georgia.

GLOBALT is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940, and a direct wholly-owned subsidiary of SFC. It provides investment advisory services to a wide variety of individuals, institutions, and affiliates.

## **SEC Jurisdiction**

In the Merger, GLOBALT will merge into the Bank and the Bank will be the surviving entity. The parties contemplate that GLOBALT will remain a registered investment adviser and will structure its operations as a separately identifiable department or division (“SIDD”) of the Bank.

The SIDD structure will expose the Bank to SEC examination authority, but only to the extent that there is overlap between the SIDD’s investment advisory activities and the Bank. With the SIDD structure subjecting the Bank to SEC examination authority, the OCC notes the matter warrants consideration.

The Investment Advisers Act of 1940 contemplates a separation of the SIDD’s records from the bank’s records. In addition, Section 210A of the Investment Advisers Act directs the Federal banking agencies and the SEC to share certain information. Specifically, the Federal banking agencies are required to provide the SEC the results of any examination, report, records, or other information regarding the *investment advisory activities*: (i) of any SIDD of a bank; and (ii) a bank that has a SIDD. Similarly, the SEC is required to provide the Federal banking agencies with the results of any examination, reports, records, or other information regarding the *investment advisory activities* of any SIDD of a bank. The statutory language is clear that the scope of any request may not extend to activities unrelated to investment advisory activities. Therefore, while the SIDD will expose the Bank to limited SEC examination authority, it is not a prohibition to the merger, and the OCC is comfortable with the proposed structure of the transaction.

## **Legal Authorization**

The Merger is legally authorized under 12 U.S.C. § 215a-3. Section 215a-3 authorizes a national bank to merge with a nonbank subsidiary or affiliate: “Upon the approval of the Comptroller, a national bank may merge with one or more of its nonbank subsidiaries or affiliates.”<sup>1</sup>

The OCC’s regulations implementing 12 U.S.C. § 215a-3 set out substantive and procedural requirements for the merger of a national bank with its nonbank affiliate in which the national bank is the resulting entity. *See* 12 C.F.R. § 5.33(g)(4). The regulation requires that the law of the state or other jurisdiction under which the nonbank affiliate is organized allow the nonbank affiliate to engage in such mergers. The regulation also imposes the following additional requirements that: (1) the bank comply with the procedures of 12 U.S.C. § 215a as if the

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<sup>1</sup> 12 U.S.C. § 215a-3(a), as added by section 1206 of the Financial Regulatory Relief and Economic Efficiency Act of 2000 (Title XII of the American Homeownership and Economic Opportunity Act of 2000), Pub. L. No. 106-569, 114 Stat. 2944, 3034 (December 27, 2000).

nonbank affiliate were a state bank, (2) the nonbank affiliate follow the procedures for such mergers of the law of its state of organization, and (3) shareholders of the nonbank affiliate who dissent from the merger have dissenters' rights determined in the manner prescribed by the law of the state or other jurisdiction under which the nonbank affiliate is organized. The regulation also provides that the OCC shall consider the purpose of the transaction, its impact on the safety and soundness of the bank, and any effect on the bank's customers, and may deny a merger if it would have a negative effect in any such respect.

The OCC reviewed the proposed Merger and found that all requirements were satisfied. The OCC conditionally approves the Merger.

### **Section 1818 Conditions**

This approval is subject to the following conditions:

1. No later than one (1) business day after consummation of the Merger, the Bank shall enter into a written Operating Agreement with the OCC on terms and conditions acceptable to the OCC.
2. No later than three (3) business days after the effective date of the Operating Agreement between the Bank and the OCC, the Bank shall enter into a written Capital Assurance and Liquidity Maintenance Agreement ("CALMA") with Synovus Bank and SFC on terms and conditions acceptable to the OCC, setting forth Synovus Bank's and SFC's obligation to provide capital and liquidity support to the Bank if and when necessary.

These conditions of approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

### **Consummation**

As a reminder, you should advise the Northeastern District Office in writing ten (10) days in advance of the desired effective date for the Merger so we may issue the necessary certification letter for the Merger. We will issue a letter certifying consummation of the Merger when we receive the following, to the extent required and not already provided:

- Secretary's certificates for each institution certifying that the board of directors and shareholder approvals have been obtained.
- Documentation that all other required regulatory approvals, non-objections, and/or waivers have been obtained.

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If the Merger is not consummated within one year from the approval date, the approval shall automatically terminate unless the OCC grants an extension of the time period.

This conditional approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our conditional approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this conditional approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence and documents concerning this transaction should reference the OCC control number. We have enclosed a letter requesting your feedback on how we handled your application. We would appreciate your response to improve our service.

If you have any questions, contact Senior Licensing Analyst Sandya Reddy at (212) 790-4049 or by email at [sandya.reddy@occ.treas.gov](mailto:sandya.reddy@occ.treas.gov).

Sincerely,

*Steven Maggio*

Steven Maggio  
Director of District Licensing

Enclosures: Survey Letter