

ANTONIO SALVÁ RAMOS

From: Neil Milner [nmilner@csbs.org]
Sent: Thursday, September 10, 2009 11:31 AM
To: comisionado
Subject: CSBS Confidential Nondisclosure Agreement

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September 10, 2009

Memorandum

Re: CSBS Confidential Nondisclosure Agreement

Attached, please find the CSBS Confidential Nondisclosure Agreement issued pursuant to the Board approved CSBS Confidentiality Policy. **The policy is also attached** for your review.

The purpose of this Agreement is to facilitate support to the State Multi-State Mortgage Committee ("MMC"), the Joint Examination Teams and the Concurrent Examination Teams established under the Cooperative Protocol and Agreement. Pursuant to the Cooperative Protocol and Agreement: "Support to the MMC and Joint Examination Teams and Concurrent Examination Teams will be provided by CSBS and the American Association of Residential Mortgage Regulators ("AARMR") upon request and direction of the MMC. No person providing support to the MMC shall be permitted access to Confidential Supervisory Information, as that term is defined in the Nationwide Cooperative Agreement for Mortgage Supervision, unless such person is an employee of a Joint Examination State Regulator or has signed the CSBS Confidentiality Nondisclosure Agreement. Joint Examination Teams and Concurrent Examination Teams will be provided administrative, technical, strategic and logistic support as approved by the MMC. In furtherance of the Coordinated Goals, the MMC may establish a separate protocol and agreement between CSBS/AARMR and the MMC/State Regulators."

If you have any questions regarding this process please contact Chuck Cross at 202-728-5745 or ccross@csbs.org.

Conference of State Bank Supervisors
1155 Connecticut Ave, NW
Fifth Floor
Washington, DC 20036
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[CSBS Privacy Policy](#)



CONFIDENTIAL NONDISCLOSURE AGREEMENT

This Confidential Nondisclosure Agreement (“Agreement”) is made as of the 19th day of May 2009, between the Conference of State Bank Supervisors (“CSBS”), with its principal place of business at 1155 Connecticut Ave NW, Fifth Floor, Washington, DC 20036, and the State Regulator signatories (“State Regulator(s)”) of the CSBS/AARMR Nationwide Cooperative Protocol and Agreement for Mortgage Supervision (“Cooperative Protocol and Agreement”).

1. Purpose of Agreement. The purpose of this Agreement is to facilitate support to the State Multi-State Mortgage Committee (“MMC”), the Joint Examination Teams and the Concurrent Examination Teams established under the Cooperative Protocol and Agreement. Pursuant to the Cooperative Protocol and Agreement: “Support to the MMC and Joint Examination Teams and Concurrent Examination Teams will be provided by CSBS and the American Association of Residential Mortgage Regulators (“AARMR”) upon request and direction of the MMC. No person providing support to the MMC shall be permitted access to Confidential Supervisory Information, as that term is defined in the Nationwide Cooperative Agreement for Mortgage Supervision, unless such person is an employee of a Joint Examination State Regulator or has signed the CSBS Confidentiality Nondisclosure Agreement. Joint Examination Teams and Concurrent Examination Teams will be provided administrative, technical, strategic and logistic support as approved by the MMC. In furtherance of the Coordinated Goals, the MMC may establish a separate protocol and agreement between CSBS/AARMR and the MMC/State Regulators.”

For purposes of this Agreement, references to “Originating State Regulator” shall mean each State Regulator in its capacity as a discloser of Confidential Information.

2. Confidential Information. “Confidential Information” means any information or data disclosed, whether in written, oral, or electronic form, by any State Regulator to CSBS under or in contemplation of this Agreement, whether prior to or after the execution hereof, that is marked as confidential or, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be understood to be confidential. Confidential Information further includes:

- a. “Confidential Supervisory Information” meaning the same as defined under the Cooperative Protocol and Agreement, and means “information the disclosure of which would violate any confidentiality statutes, regulations or policies applicable to State Regulators.”
- b. Any information marked or expressed as confidential by the Originating State Regulator, or other State Regulator providing such information.
- c. Any information received by CSBS on behalf of any State Regulator when such information has been identified as Confidential Information by the State Regulator or is reasonably understood by CSBS to be Confidential Information intended to be protected under this Agreement.

d. Any information seen or overheard by CSBS commonly known to be Confidential Information or intended by the disclosing party to be information protected under this Agreement.

When in doubt, CSBS shall treat any apparent Confidential Information as Confidential Information under this Agreement.

All Confidential Information received pursuant to this Agreement belongs to, and shall remain the property of, the Originating State Regulator of the Confidential Information.

3. Exclusions. "Confidential Information" does not include any information as to which CSBS is able to demonstrate (i) is, or after the date of disclosure under this Agreement becomes, generally available to the public other than as a result of any actions or omissions of CSBS; (ii) was already known by CSBS prior to the time of disclosure under this Agreement, as evidenced by written records kept by CSBS in the ordinary course of its business or as evidenced by proof of actual prior use by CSBS; (iii) subsequent to disclosure under this Agreement, is received from a third party that (a) is lawfully in possession of such information, (b) with respect to such information, is not in violation of any legal, contractual or fiduciary obligation to the Originating State Regulator or to any other party from which it obtained such information; and (c) does not prohibit CSBS from disclosing such information to others; or (iv) is developed by CSBS independently without any use of or reference to the Confidential Information by personnel that did not have access to the Confidential Information, as evidenced by written records kept by CSBS in the ordinary course of its business. Any combination of Confidential Information with information not so classified shall not be deemed to be within one of the foregoing exclusions merely because individual portions of such combination are free of any confidentiality obligation or are separately known in the public domain.

4. Obligations of Confidentiality. To the fullest extent permitted by law, CSBS will treat information obtained under this Agreement with the same degree of confidentiality that applies to the information in the hands of the Originating State Regulator. CSBS shall keep the Confidential Information confidential and secure and shall use at least the same standard of care to protect the Confidential Information as CSBS employs for the protection of its own proprietary information, but in no case less than a reasonable standard of care. In the event of a dispute, the burden will be on CSBS to demonstrate that it used the standard of care described herein. CSBS will not disclose the Confidential Information to any third party, use or appropriate in any manner the Confidential Information for its own or any other party's use or benefit, or use the Confidential Information in any manner that would be adverse to the Originating State Regulator.

To the extent reasonably possible, CSBS agrees to keep confidential the existence of the fact that Confidential Information has been made available under this Agreement. CSBS shall promptly notify the Originating State Regulator in writing of any actual or suspected loss or unauthorized use, disclosure or access of the Originating State Regulator's Confidential Information of which it becomes aware.

a. Exception to Nondisclosure. CSBS shall not be in violation of paragraph 4 of this Agreement by disclosing Confidential Information as follows:

i. When directed in writing to disclose the Confidential Information to a specific party by the Originating State Regulator. Such direction shall not constitute a waiver by

the Originating State Regulator of its right to have the Confidential Information otherwise protected from disclosure under this Agreement.

ii. When providing information to a Joint Examination State Regulator as defined under the Cooperative Protocol and Agreement.

iii. When providing information under Mandatory Disclosure as covered under paragraph 6 of this Agreement.

5. Representatives. CSBS will restrict the possession, knowledge, and use of the Originating State's Confidential Information to its authorized representatives specifically identified below. Any Representative to whom CSBS authorizes access to any Confidential Information must be bound in writing to a nondisclosure and nonuse agreement, with terms and conditions no less protective than those set forth in this Agreement. CSBS agrees that it shall be liable for any breach of this Agreement caused directly or indirectly by its Representatives.

a. Authorized Representatives. The following CSBS representatives are identified pursuant to paragraph 5:

- i. Neil Milner, President and CEO
- ii. John Ryan, Executive Vice President
- iii. Mike Stevens, Senior Vice President
- iv. Chuck Cross, Vice President
- v. Mary Beth Quist, Senior Vice President

6. Request, Demand, Subpoena or Order of Mandatory Disclosure. CSBS shall promptly notify the Originating State Regulator in the event that it receives a request, demand, subpoena or order seeking or requiring Confidential Information possessed by CSBS so that the Originating State Regulator may seek an appropriate protective order or other remedy. CSBS shall take all necessary steps to resist production of the Confidential Information unless and until it obtains the written consent of the Originating State Regulator or unless CSBS is compelled by order of a competent judicial authority to disclose the Confidential Information. If a remedy acceptable to the Originating State Regulator is not obtained by the date that CSBS must comply with the disclosure order, CSBS may disclose such Confidential Information without liability hereunder. As appropriate, CSBS will cooperate in the preparation of any memoranda or pleading deemed desirable by the Originating State Regulator to protect the confidentiality of the information.

7. Termination. This Agreement shall be effective as of the date first set forth above (the "Effective Date") and may be terminated with respect to subsequent disclosures upon 10 business days prior written notice by CSBS to all State Regulators. The rights and obligations accruing prior to termination as set forth herein shall survive the termination of this Agreement perpetually or as applicable under the laws governing information disclosure of the Originating State Regulator.

8. Return or Destruction of Confidential Information. Upon the written request or direction of any Originating State Regulator, CSBS shall return or destroy the Confidential Information as instructed.

9. Relationship of Parties. This Agreement does not create any agency, partnership, joint venture or other business relationship. Nothing in this Agreement shall be deemed to create, either express or implied, the power in any party to bind the other.

10. Remedies. The prevailing party in any action to enforce this Agreement shall be entitled to actual costs and reasonable attorneys fees. Without limiting the foregoing, CSBS acknowledges that unauthorized disclosure or use of the Originating State Regulator's Confidential Information by CSBS would irreparably damage the Originating State Regulator in such a way that adequate compensation could not be obtained from damages in an action at law. Accordingly, the actual or threatened unauthorized disclosure or use of any Confidential Information shall give the Originating State Regulator the right to seek injunctive relief restraining such unauthorized disclosure or use, without the necessity of posting bond, in addition to any other remedy otherwise available to the Originating State Regulator.

11. Governing Law. This Agreement shall be governed in all respects by the laws of the state of the Originating State Regulator.

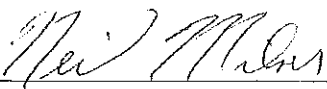
12. Notices. All notices or other communications contemplated by this Agreement shall be in writing and shall be deemed duly delivered (i) when delivered personally, (ii) one day after deposit for next day delivery with a nationally recognized overnight courier service with tracking capabilities, or (iii) two days after mailing by registered or certified mail, postage prepaid, to the receiving party.

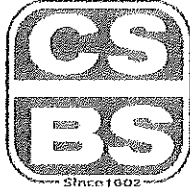
13. Authority. CSBS warrants and represents that the person(s) signing this Agreement on behalf of CSBS has been properly authorized to enter into this Agreement. CSBS further acknowledges that it has read this Agreement, understands it, and agrees to be bound by all of its terms, conditions, and provisions.

14. Severability. If any provision of this Agreement or the application thereof to any person or circumstances is held invalid or illegal, such invalidity or illegality shall not affect other provisions or applications of this Agreement which can be given effect without the invalid or illegal provision or application, and to this end, the provisions of this Agreement are declared to be severable.

In Witness Whereof, CSBS executes this Confidential Nondisclosure Agreement as of the date first written above.

Conference of State Bank Supervisors

By: 
Signature
Neil Milner
President and CEO
Printed Name and Title



CSBS Board of Directors
Policy Statement Regarding Staff Access to Confidential Supervisory Information

Increasingly, some staff members of CSBS are involved in supervisory coordination meetings with state regulators and/or federal regulators where specific companies are discussed and hard copy information is distributed. The CSBS board of directors believes that CSBS staff provides a valuable resource to state supervisors as we strive for greater coordination for all types of financial institutions.

In order to facilitate this coordination and provide protection for state and federal regulators, the CSBS Board of Directors has adopted the following requirements for all CSBS staff:

1. Annually CSBS employees must disclose to the President & CEO on a provided form, whether they reasonably expect to receive or hear confidential supervisory information as a function of their position or job assignments.
2. As conditions warrant due to a change in job assignment, CSBS employees must notify the President & CEO that they may or have received or heard Confidential Information as defined in the CSBS Confidential Nondisclosure Agreement.
3. Any employee identified as an Authorized Representative to receive Confidential Information under the CSBS Confidential Nondisclosure Agreement must complete and maintain the CSBS Representative Nondisclosure and Nonuse Agreement.

The President & CEO will evaluate the accuracy of the disclosures and provide a report to the Board of Directors.

CSBS staff who receive or hear Confidential Information are required to abide by the following:

1. Sign the CSBS Representative Nondisclosure and Nonuse Agreement.
2. Disclose to the President & CEO any direct or indirect obligations to entities subject to state or federal supervision including the full terms of the obligation.
3. Disclose to the President & CEO any financial interest in a financial services company or any entity which owns a financial services entity, including the date of acquisition.
4. Disclose to the President & CEO any immediate family (e.g. parents, siblings, and descendants) who has or is about to assume an interest or enter into a relationship that might result in a conflict of interest.

5. Notify the President & CEO in advance of any proposed changes, detailing the changes and attesting:
 - a. For obligations, the transaction is being conducted at an arms length transaction, at terms available to the general public, and you are not in possession of any confidential information pertaining to the company.
 - b. For equity investments, you have not received or heard any information which may impact the future value of the investment.
6. Cease and desist from any further equity investments in financial services companies or any entity which owns a financial services entity.

Based on any of the above, the President & CEO may request additional documentation, alter the employee's duties, access to information, or request divestiture.

Unauthorized disclosure of Confidential Information or noncompliance with this policy statement will result in disciplinary action which may include termination.