



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

September 7, 2017

Jason J. Cabral, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004

Dear Mr. Cabral:

This is in response to your request on behalf of Mr. G. Kennedy Thompson for an exemption from the prohibitions of the Depository Institution Management Interlocks Act (“Interlocks Act”)¹ and the Board’s Regulation L² to permit Mr. Thompson to become a director of FirstSun Capital Bancorp (“FirstSun”), Denver, Colorado, while also serving as a director on the boards of Pinnacle Financial Partners (“Pinnacle”) and its subsidiary, Pinnacle Bank, both of Nashville, Tennessee.

Mr. Thompson is a principal of Aquiline Capital Partners LLC (“Aquiline”), New York, New York. Aquiline recently acquired noncontrolling investments in each of FirstSun and Pinnacle through a series of mergers that converted Aquiline’s investments in predecessor holding companies into investments in FirstSun and Pinnacle. Aquiline has a right to have a representative on the boards of FirstSun, Pinnacle, and Pinnacle Bank. As a representative of Aquiline, Mr. Thompson is a director of Pinnacle and Pinnacle Bank. He seeks to become Aquiline’s representative on FirstSun’s board of directors.

The Interlocks Act and Regulation L prohibit a management official of a depository institution or a depository holding company with total assets exceeding \$2.5 billion (or any affiliate of such organization) from serving at the same time as a management official of an unaffiliated depository organization with total assets exceeding \$1.5 billion (or any affiliate of such an organization),

¹ 12 U.S.C. § 3201 et seq.

² 12 CFR part 212.

regardless of the location of the two depository organizations.³ FirstSun and Pinnacle have assets that exceed these thresholds.

Under the general exemption provision of Regulation L, the Board may exempt an interlock that otherwise would be prohibited by the Interlocks Act if the Board determines that the interlock would not result in a monopoly or in a substantial lessening of competition and would not present safety and soundness concerns.⁴ While the Board applies a strong presumption against granting a general exemption, the Board has granted exemptions in certain limited situations. The Board has delegated to its General Counsel, in consultation with the Director of the Division of Supervision and Regulation (“Director”), authority to grant exemptions under this provision of Regulation L.

The proposed interlocks between FirstSun, Pinnacle, and Pinnacle Bank would not result in a monopoly or in a substantial lessening of competition. The subsidiary depository institutions of FirstSun and Pinnacle do not operate in the same banking markets. The interlocks also would not have any substantial effect on competition with respect to the nonbanking activities of FirstSun and Pinnacle.

In addition, the interlocks would not present safety and soundness concerns. Aquiline has represented that Mr. Thompson is qualified to serve as its management official of FirstSun, given his experience and overall abilities. Additionally, Mr. Thompson has been a management official of several large organizations.

Based on all the facts of this case and for the reasons discussed above, the General Counsel, acting pursuant to delegated authority and after consultation with the Director, has granted an exemption to allow Mr. Thompson to serve as a director on the board of FirstSun while also serving as a director on the boards of Pinnacle and Pinnacle Bank.

³ 12 U.S.C. § 3203; 12 CFR 212.3(c).

⁴ 12 CFR 212.6(a).

The Board reserves the right to revoke the exemption should any of the interlocks result in a monopoly or a substantial lessening of competition or present safety and soundness concerns.

Sincerely yours,


Margaret McCloskey Shanks
Deputy Secretary of the Board