



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

November 3, 2020

Mr. Andrew S. Baer
Managing Director
Morgan Stanley
1633 Broadway
New York, New York 10019

Dear Mr. Baer:

This letter responds to your request dated September 25, 2020, on behalf of Morgan Stanley, New York, New York, and its subsidiaries and affiliates (collectively, “Morgan Stanley”) that had invested in equity interests of Carver Bancorp, Inc. (“Carver”), New York, New York, for relief from passivity commitments made to the Board in June 2011 (the “Passivity Commitments”). The Passivity Commitments were made in connection with the Board’s non-control determination letter issued on June 29, 2011.¹ The Passivity Commitments were intended to ensure that Morgan Stanley would not exercise a controlling influence over Carver for purposes of the Bank Holding Company Act of 1956 (“BHC Act”). The requested relief would completely relieve Morgan Stanley from the Passivity Commitments.

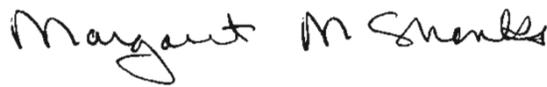
Morgan Stanley represents that all shares of Carver held by Morgan Stanley had been fully divested by June 9, 2020. Morgan Stanley also represents that its investment in and other relationships with Carver would not trigger a presumption of control under the Board’s rule governing control and divestiture proceedings under the BHC Act.²

¹ See Letter from Scott G. Alvarez, General Counsel of the Board, to Peter Heyward, Esq., dated June 29, 2011.

² See 12 CFR 225.31-.34.

Based on all the facts of record, the Director of the Division of Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority³ and after consulting with the General Counsel, has approved Morgan Stanley's request for relief from the Passivity Commitments. This action is based on the representations and commitments provided in your communications and correspondence related to your request, including the representations discussed above. Any change in the facts presented could result in a different conclusion and should be reported to Board staff immediately. This determination should not be construed as granting relief from any other conditions or commitments to which Morgan Stanley may be subject.

Very truly yours,

A handwritten signature in black ink that reads "Margaret M Shanks". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

Margaret McCloskey Shanks
Deputy Secretary of the Board

cc: Federal Reserve Bank of New York

³ 12 CFR 265.7(a)(2).