



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

MARK E. VAN DER WEIDE  
GENERAL COUNSEL

December 30, 2020

Alan W. Avery, Esq.  
Latham & Watkins LLP  
885 Third Avenue  
New York, New York 10022-4834

Dear Mr. Avery:

This letter responds to your request for an opinion that National Bank of Canada (“NBC”), Montreal, Canada, no longer controls Fiera Capital Corporation, Montreal, Canada, and its affiliates (collectively, “Fiera”) for purposes of the Bank Holding Company Act of 1956 (“BHC Act”).

For purposes of the BHC Act, a company has control over another company if the first company (i) directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other company; (ii) controls in any manner the election of a majority of the directors of the other company; or (iii) directly or indirectly exercises a controlling influence over the management or policies of the other company.<sup>1</sup> In addition, the Board’s Regulation Y sets forth rebuttable presumptions of control and noncontrol.<sup>2</sup> The BHC Act and the Board’s Regulation Y presume that any company that directly or indirectly owns, controls, or has the power to vote less than 5 percent of any class of voting securities of another company does not control the other company.<sup>3</sup> In addition, a company that previously controlled another company is presumed to continue to control that company if, at any time during the prior two years, the first company controlled the

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<sup>1</sup> 12 U.S.C. § 1841(a)(2); 12 CFR 225.2(e).

<sup>2</sup> 12 CFR 225.32; 12 CFR 225.33.

<sup>3</sup> 12 U.S.C. § 1841(a)(3); 12 CFR 225.33(b).

second company and the first company controls 15 percent or more of any class of voting securities of the second company.<sup>4</sup>

In 2012, NBC acquired approximately 56 percent of a class of voting securities of Fiera, which constituted approximately 35 percent of the total outstanding securities of Fiera. In connection with the acquisition of this interest, NBC also had the right to appoint two representatives on the board of directors of Fiera, which then consisted of twelve members. In addition, NBC had a number of agreements and business relationships with Fiera, including a credit agreement and an asset maintenance agreement. NBC represents that it has fully divested its interest in Fiera and no longer has any right to own, control, vote, or acquire any class of securities of Fiera. NBC also represents that it no longer has any director representation on, or the right to appoint any directors to, the board of directors of Fiera. NBC further represents that its existing business relationships with Fiera are significantly reduced.<sup>5</sup>

Based on all the facts of record in this case, and specifically conditioned on all the representations made in connection with your request, staff of the Legal Division would not recommend that the Board find NBC to control Fiera for purposes of the BHC Act in light of NBC's divestment from its interest in Fiera and significant reduction in business and other relationships with Fiera. In addition, based on NBC's representations, it does not appear that NBC would trigger any of the presumptions of control under the Board's regulations.<sup>6</sup>

This opinion is based on all the facts of record, including all the representations made by or on behalf of NBC, whether noted in this letter or otherwise included in correspondence or presented in discussions with staff of the Board. Any changes in facts or representations may result in a different opinion and should be reported immediately to Board staff.

If you have any questions about this matter, please contact Mark Buresh, Senior Counsel (202-452-5270), or Katherine Di Lucido (202-452-2352), Legal Assistant/Attorney, both of the Board's Legal Division.

Sincerely,

A handwritten signature in blue ink that reads "Mark Van Der Weide". The signature is written in a cursive style with a large initial 'M'.

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<sup>4</sup> 12 CFR 225.32(i)(1).

<sup>5</sup> NBC represents that the existing relationships are on market terms and constitute significantly less than 10 percent of Fiera's annual revenues and expenses.

<sup>6</sup> See 12 CFR 225.32.