

Multimillionaire And Former Fed Vice Chair For Supervision Randal Quarles Made A Career Pushing For Banking Deregulation And Rolling Back Dodd-Frank, Ultimately Leading To The Failure Of Silicon Valley Bank

SUMMARY: In 2017, Randal Quarles was [nominated](#) by President Trump to serve on the Board of Governors at the Federal Reserve and as the Fed's Vice Chairman for Supervision. Prior to his nomination, Quarles [served](#) bank clients at Davis Polk & Wardwell, held [multiple roles](#) in the U.S. Treasury under George W. Bush, and [worked](#) at "[global private equity firm](#)" the Carlyle Group. In 2014, Quarles [founded](#) the Cynosure Group, "[an independent and alternative asset manager](#)" with strong ties to the wealthy, Utah-based, Eccles Family, of which [Quarles married into](#). By 2019, Quarles disclosed he had a net worth of [\\$32 million](#) before he left the Federal Reserve. In 2022, he [returned](#) to the Cynosure Group as its Executive Chairman.

During his 2017 confirmation process, Quarles said he believed that there was "[a lack of transparency](#)" over the Fed's stress test processes, saying he would share more information with the public, which critics said would make it easier for banks to pass tests. Quarles added "[it's not giving the answer key](#)," but "[giving them the questions](#)."

Prior to his confirmation, [financial disclosures showed](#) Quarles served simultaneously on the board of directors for the U.S. Chamber of Commerce and the Financial Industry Regulatory Authority (FINRA), raising concerns from Sen. Catherine Cortez Masto (D-NV) that this presented "[an obvious conflict of interest](#)." Large banking industry groups like [American Bankers Association](#) and the [Consumer Bankers Association](#) congratulated Quarles on his confirmation to the Federal Reserve.

During a May 2015 interview with *Bloomberg TV*, Quarles said the Volcker Rules "[was not well designed](#)" and "[the government should not be a player in the financial sector, it should be a referee](#)." In a March 2016 *Wall Street Journal* op-ed, Quarles criticized "[too big to fail](#)" rhetoric while saying the Federal Reserve should "[evaluate the impact of Dodd-Frank on the financial system, before arbitrarily taking an ax to big banks](#)." In 2017, Quarles was [reportedly](#) involved in numerous investment deals in troubled or failed banks that needed government support.

As Vice Chair of Supervision at the Federal Reserve, Quarles discussed "[substantial big-bank deregulation](#)" under the veil of "tailoring" policy and led a series of efforts to "[roll back the crisis-era regulation that overhauled Wall Street](#)." Under Quarles's leadership, the Fed [proposed and implemented](#) several changes to the bank stress-testing regime, with Quarles admitting in a 2019 speech that "[periodic stress testing has turned out to be a less useful supervisory tool to evaluate the risks of smaller and less complex financial institutions](#)." In 2021, ahead of Quarles' term expiring, Senator Elizabeth Warren (D-MA) and Senator Sherrod Brown (D-OH) slammed Quarles for "[cutting holes in the safety net](#)" and doing "[the bidding of Wall Street \[for\] far too many years](#)."

In March 2023, Former Vice Chair Quarles "[played down the role of looser rules in Silicon Valley Bank's collapse](#)," arguing in a *Wall Street Journal* op-ed that it "[wasn't related to regulatory changes](#)" during his tenure while criticizing the move to "[devise even more unfocused and restrictive regulation](#)."

Quarles has contributed over \$187,000 to Republican campaign committees, including a [staggering \\$112,100](#) to the National Republican Senatorial Committee (NRSC), National Republican Congressional Committee (NRCC), and the Republican National Committee. This figure also includes [at least \\$7,900](#) to Sen. Mike Crapo (R-ID), the [architect of S. 2155](#), which rolled back aspects of Dodd-Frank financial reforms. While serving as Vice Chair, Quarles [frequently](#) met with Republican lawmakers and was praised by current

HFSC Chair Patrick McHenry (R-NC) for "[spearhead\[ing\] efforts to right-size overly burdensome regulations.](#)"

From 1984 To 1991 And From 1993 To 2001, Randal K. Quarles Worked For The Law Firm Davis Polk & Wardwell, Where His Clients Included JPMorgan, National Westminster And Santander, And Where He Was Involved In The Merger That Created JPMorgan Chase & Co.

From 1991 To 1993 Randal K. Quarles Served As A Special Assistant To Secretary Of The Treasury Under George H. W. Bush.

Randal K. Quarles Served As A Special Assistant To The Secretary Of The Treasury For Banking Legislation From January 1991 To January 1993. "From January 1991 to January 1993, Quarles served as a special assistant to the Secretary of the Treasury for Banking Legislation and as deputy assistant secretary of the Treasury for financial institutions." [Federal Reserve History, accessed [03/22/23](#)]

- **Quarles' Full Name Is Randal Keith Quarles.** "On Tuesday, August 2, 2005, Randal Keith Quarles was sworn in as the Under Secretary of the Treasury for Domestic Finance." [United States Department of the Treasury via Wayback Machine, accessed [03/22/23](#)]

From September 1984 To May 1991 And June 1993 To July 2001, Quarles Worked For The Law Firm Davis Polk & Wardwell, Where His Clients Included JPMorgan, National Westminster Bank, And Santander, Among Others.

Quarles Worked As A Partner At Davis Polk & Wardwell Where Clients Included JPMorgan, National Westminster Bank, And Santander, Among Other Banks. "Randal Quarles is a partner at Davis Polk & Wardwell and cohead of the firm's Financial Institutions Group. He advises domestic and foreign banks and bank holding companies on a broad variety of matters, including mergers and acquisitions, and venture capital operations, as well as the full range of bank securities activities and capital markets transactions. His major clients include JP Morgan, National Westminster Bank, Credit Lyonnais, Banco Santander, and Banco Bilbao Vizcaya." [International Law Review, 10/01/97]

- **According To His LinkedIn Profile, Quarles Worked At Davis Polk & Wardwell As An Associate From September 1984 To May 1991 And As A Partner From June 1993 To July 2001.** [LinkedIn, accessed [03/22/23](#)]

Quarles Was Also Involved In The Merger That Eventually Created JPMorgan Chase & Co In 2000.

While At Davis Polk, Quarles Was Involved In The Merger That Created JPMorgan Chase & Co And Other Mergers. "After two stints at Treasury and at the law firm Davis Polk & Wardwell, where he worked on mergers including the one that created JPMorgan Chase & Co., Quarles joined Carlyle, focusing on grabbing stakes in financial companies." [The Denver Post, [07/16/17](#)]

- **According To Its Website, JPMorgan's Merger With Chase Manhattan Occurred In 2000.** "2000 [...] J.P. Morgan merges with Chase Manhattan [...] J.P. Morgan & Co. Incorporated merges with The Chase Manhattan Corporation. The new firm is named J.P. Morgan Chase & Co." [JPMorgan Chase & Co, accessed [03/27/23](#)]

In June 2001, Quarles Was Nominated To Serve As The Executive Director Of The International Monetary Fund Where He Served From August 2001 To March 2003.

In June 2001, Quarles Was Nominated By President George W. Bush To Serve As The Executive Director Of The International Monetary Fund (IMF), Serving From August 2001 To March 2003.

June 2001: Randal Quarles Was Nominated By President George W. Bush To Serve As The Executive Director Of The International Monetary Fund (IMF). "The President intends to nominate Randal Quarles to be United States Executive Director of the International Monetary Fund for a term of two years. He is currently a Partner with Davis, Polk and Wardwell where he is the co-head of the Financial Institutions Group." [George W Bush White House Archives, accessed [03/22/23](#)]

- **Quarles Served In This Capacity From August 2001 To March 2002.** "Prior to his most recent appointment at the Treasury Department, Mr. Quarles served as the U.S. Executive Director at the IMF from August 2001 through March 2002." [Gov Info, [06/07/05](#)]

According To Its Website, "The IMF Has Three Critical Missions: Furthering International Monetary Cooperation, Encouraging The Expansion Of Trade And Economic Growth, And Discouraging Policies That Would Harm Prosperity. "The IMF has three critical missions: furthering international monetary cooperation, encouraging the expansion of trade and economic growth, and discouraging policies that would harm prosperity. To fulfill these missions, IMF member countries work collaboratively with each other and with other international bodies." [International Monetary Fund, accessed [03/27/23](#)]

From 2002 To 2006, Quarles Rejoined The U.S. Department Of The Treasury, Serving In Numerous Roles Including As The Assistant Secretary For International Affairs, And The Under Secretary Of The Treasury For Domestic Finance.

From 2002 To 2006, Quarles Served In The Treasury Department To Serve In Numerous Roles Including As An Assistant Secretary For International Affairs, And The Under Secretary Of The Treasury For Domestic Finance.

From April 2002 To August 2005, Quarles Served As The Assistant Secretary For International Affairs At The Department Of The Treasury. "D.C. Quarles served as undersecretary for domestic finance at the Department of the Treasury from September 2005 to November 2006 and assistant secretary for international affairs from April 2002 to August 2005." [Federal Reserve History, accessed [03/22/23](#)]

August 2005: Quarles "Was Sworn In As The Under Secretary Of The Treasury For Domestic Finance." "On Tuesday, August 2, 2005, Randal Keith Quarles was sworn in as the Under Secretary of the Treasury for Domestic Finance. In that capacity, he serves as the principal adviser to the Secretary on matters of domestic finance and leads the Department's activities with respect to the domestic financial system, fiscal policy and operations, governmental assets and liabilities, and related economic and financial matters." [United States Department of the Treasury via Wayback Machine, accessed [03/22/23](#)]

August 2006: Quarles Resigned From The Treasury Department After He "Long Planned To Return To The Private Sector." "Treasury Secretary Henry Paulson today praised the accomplishments of Under Secretary of the Treasury for Domestic Finance Randal K. Quarles during his service to the Bush Administration. Mr. Quarles, who served in senior roles at the Treasury since August 2001, submitted his

resignation to the President effective on the adjournment of the 109th Congress. [...] 'I was disappointed to learn when I arrived that Randy had long planned to return to the private sector around the time of this year's mid-term elections, but I am fortunate that he has agreed to be very active in helping me formulate my policy agenda, and over the long term I will continue to rely on his advice and counsel.' [Department of the Treasury Machine, accessed [03/22/23](#)]

After Leaving The U.S. Treasury Department, Quarles Joined The Carlyle Group—A "Global Private Equity Firm" With \$163 Billion In Assets Currently Under Management—Where He Helped The Firm Acquire A Minority Stake In A Wealth Advisor Firm With \$4 Billion In Assets.

According To His LinkedIn, Quarles Worked As A Partner At The Carlyle Group From August 2007 To December 2013, Where He Was Involved In A Negotiation To Acquire A Minority Stake In Avalon Advisors, A Wealth Advisor And Asset Manager With \$4 Billion In Assets At The Time.

According To His LinkedIn Profile, Quarles Joined The Carlyle Group As A Partner From August 2007 To December 2013. [LinkedIn, accessed [03/22/23](#)]

- **According To A Biography, Quarles Started The Carlyle Group's Program Of Investments In The Financial Services Sector During The 2008 Financial Crisis.** "Before founding Cynosure, Mr. Quarles was a long-time partner of the Carlyle Group, where he began the firm's program of investments in the financial services industry during the 2008 financial crisis." [The Cynosure Group, accessed [03/22/23](#)]
- **According To Its Website, The Carlyle Group Is A "Global Private Equity" Firm With Over \$163 Billion In Assets Under Management.** "Carlyle's Global Private Equity business is one of the world's largest and most diversified private equity platforms, spanning industries, geographies and strategies to deliver transformational results for our partners—management teams, portfolio companies, and fund investors." [The Carlyle Group, accessed [03/22/23](#)]



[The Carlyle Group, accessed [03/22/23](#)]

August 2011: The Carlyle Group Bought A Minority Stake In Avalon Advisors, A Wealth Advisor With "Nearly \$4 Billion In Assets Under Management." "The Carlyle Group, one of the world's largest private equity firms, has made a minority investment in Avalon Advisors, a Houston-based wealth advisor and asset manager with nearly \$4 billion in assets under management, the two companies announced Tuesday." [Think Advisor [08/31/11](#)]

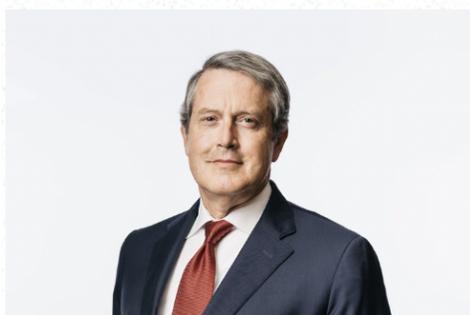
- **Randy Quarles, Then A Managing Director For The Carlyle Group, "Was Involved In Putting The Deal Together."** "Carlyle Managing Director Randy Quarles, who was involved in putting the deal together, previously served as undersecretary of the U.S. Treasury during the administration of

President George W. Bush. Before entering the Bush administration, Quarles was a partner with the law firm of Davis Polk & Wardwell." [Think Advisor [08/31/11](#)]

In 2014, Quarles Co-Founded The Cynosure Group—"An Independent And Alternatives Asset Manager, "Which Was Backed By The Wealthy Eccles Family, Which Has Contributed Over \$640 Million To Utah-Based Entities.

In 2014, Quarles Co-Founded The Cynosure Group—"An Independent And Alternatives Asset Manager And Portfolio Advisor"—Serving As Managing Partner From 2014 To October 2017, Rejoining The Firm As Chairman In January 2022 After Leaving Government.

Quarles Is The Chairman And A Co-Founder Of The Cynosure Group:



Randal
Quarles

CHAIRMAN & CO-FOUNDER

[The Cynosure Group, accessed [03/22/23](#)]

According To Its LinkedIn Profile, The Cynosure Group Is An Independent Alternatives Asset Manager And Portfolio Advisor "In Profitable Small To Mid-sized Companies." "The Cynosure Group is an independent alternatives asset manager and portfolio advisor that makes long-term investments on behalf of families, foundations, and other like-minded institutions. Cynosure's collaborative solutions focus on alternative asset classes that range from select direct investment opportunities in profitable small to mid-sized companies, to comprehensive portfolio construction and allocations." [LinkedIn, accessed [03/23/23](#)]

From January 2014 To October 2017, Quarles Was The Managing Partner Of The Cynosure Group. [LinkedIn, accessed [03/22/23](#)]

January 2022: Quarles Rejoined The Cynosure Group As Chairman. "The Cynosure Group is pleased to announce that Randal Quarles has rejoined the firm as its Executive Chairman." [The Cynosure Group, [01/30/22](#)]

The Cynosure Group Was Also Backed By The Wealthy Eccles Family, Which Includes Randal's Wife Hope Eccles And Co-Founder Spencer P. Eccles, A Boardmember Of Two Family Foundations Which Have Given Over \$640 Million To Utah-Based Entities.

June 2014: It Was Reported That The Cynosure Group Was Also Backed By The Eccles Family, Which Came From Scotland In The 1860s As David Eccles Went On To Become One "On To Become One Of The Greatest Entrepreneurs, Industrialists And Investors" In The U.S. "The Cynosure Group is a Salt Lake City based company formed to bring together the resources of a number of the country's most significant family offices, including the Eccles family of Salt Lake City, to make long-term equity investments in private

companies across a range of industries. The name of the firm, Cynosure, commemorates the sailing vessel which brought David Eccles and his family to America in 1863 from their home in Scotland. David Eccles went on to become one of the greatest entrepreneurs, industrialists and investors in the history of the Western United States." [PR Web, [06/05/14](#)]

- **Headline: Eccles Family Backs New Investment Firm, The Cynosure Group** [PR Web, [06/05/14](#)]

Randal Quarles Is Married To Hope Eccles, "The Great-Niece Of Marriner Eccles, Who Led The Fed From 1934 To 1948" And The President Of A Luxury Hotel And Restaurant In Utah "He is married to Hope Eccles, the great-niece of Marriner Eccles, who led the Fed from 1934 to 1948." [The New York Times, [11/29/19](#)]

- **Hope Eccles Is Also The President Of A Luxury Hotel And Restaurant In Deer Valley, Utah, And Is "Involved In A Variety Of Family Enterprises In Real Estate, Ranching, Investing, And Philanthropy."** "Hope Eccles is the president of the Goldener Hirsch Inn, a luxury hotel and restaurant in Deer Valley. She is also involved in a variety of family enterprises in real estate, ranching, investing and philanthropy." [Utah System of Higher Education, accessed [04/03/23](#)]

Spencer P. Eccles—Who Co-Founded The Cynosure Group—Is Also On The Board Of Two Eccles Family Foundations, One Of Which Has Given More Than \$640 Million To Entities Throughout Utah. "Spencer P. Eccles is co-founder and managing partner of The Cynosure Group, an investment management and advisory firm based in Salt Lake City, Utah. [...] He serves on the board of the Spencer F. and Cleone P. Eccles Family Foundation and as an Advisory Board member of the George S. and Dolores Doré Eccles Foundation – one of Utah's largest private philanthropic foundations, which has contributed more than \$640 million to enrich the quality of life in the state in areas including education, social services, health and wellness, arts and culture, and preservation and conservation." [Unite To Prevent, [04/03/23](#)]

June 2021: Two Of The Eccles Family's Foundations Also Contributed At Least \$110 Million To The University Of Utah's Medical School. "The Eccles name is already ubiquitous on the University of Utah's campus, from its David Eccles School of Business to its football team's Rice-Eccles Stadium. With its biggest single gift yet, the family is now adding the Spencer F. Eccles School of Medicine to its collection. [...] Two of the family's foundations announced on Wednesday that they're partnering to give \$110 million to the university's medical school to support the construction of a new 248,000-square foot building and bolster its endowment and research funding." [Forbes, [06/09/21](#)]

- **The School Was Named After Spencer Fox Eccles, Who Was The CEO And Former Chairman Of First Security Corporation, Which Was Acquired By Wells Fargo For \$2.9 Billion In 2000.** "The school will be named for Spencer Fox Eccles, the 86-year-old third-generation patriarch and former chairman and CEO of banking company First Security Corporation, which Wells Fargo acquired for \$2.9 billion in 2000." [Forbes, [06/09/21](#)]

In October 2015, Quarles Helped The Carlyle Group Sell A Part Of Its Stake In Avalon Advisors To The Cynosure Group.

In October 2015, The Carlyle Group Sold "A Portion Of Its Equity Interest In Avalon Advisors" To The Cynosure Group.

October 2015: The Cynosure Group Purchased A Portion Of The Carlyle Group's Stake In Avalon Advisors. "Global alternative asset manager The Carlyle Group (NASDAQ: CG) completed the sale of a portion of its equity interest in Avalon Advisors, LLC ('Avalon Advisors') to The Cynosure Group, LLC ('The Cynosure Group' or 'Cynosure'). The investment in Avalon Advisors was made through Carlyle Global Financial Services Partners L.P., which will retain a material equity stake in Avalon Advisors following this transaction." [The Cynosure Group, [10/01/15](#)]

- In March 2023, Investment Firm CI Financial Acquired Avalon Advisors:



Ian Wenik
@IanWenik



Scoop for @CitywireRIA — CI Financial is acquiring \$8.4bn RIA Avalon Advisors, according to sources with knowledge of the situation:



citywire.com

CI Financial to acquire \$8.4bn Avalon Advisors -sources
Avalon had been minority-owned by private equity firm Cynosure Group.

12:54 PM · Mar 21, 2023 · 411 Views

[Twitter, [03/21/23](#)]

- According To Its Website, "CI Financial Is An Independent Company Offering Global Wealth Management And Asset Management Advisory Services." "CI Financial is an independent company offering global wealth management and asset management advisory services. Since 1965, we have consistently anticipated and responded to the changing needs of our clients. We are continually innovating, expanding our resources and evolving our platforms to provide the highest-quality products and services to our clients along with a deep commitment to generating strong returns for our shareholders." [CI Financial, accessed [03/27/23](#)]

In July 2017, President Trump Nominated Quarles To Serve Out The Remainder Of A 14-Year Term On The Board Of Governors At The Fed Ending January 2018, As Well As An Additional 14-Year Term And As The Fed's First Vice Chairman For Supervision, Before Quarles—Worth \$32 Million By 2019—Stepped Down From The Federal Reserve Board Of Governors In December 2021.

In July 2017, Randal Quarles Was Nominated By President Trump To Serve As The Federal Reserve's Vice Chairman And Received Senate Confirmation In October 2017, Where He Served Until His Resignation In December 2021.

July 2017: Quarles Was Nominated By President Donald Trump To Serve As The Federal Reserve's First Vice Chairman For Supervision, A Role Created After The 2008 Financial Crisis. "President Trump on Monday named Randal K. Quarles, a former Treasury Department official, to serve as the Federal Reserve's top watchdog overseeing Wall Street and to play a leading role in the administration's plans to reduce financial regulation. Mr. Quarles would be the first person to serve in the role of vice chairman for supervision, which Congress created after the financial crisis to sharpen the Fed's focus on regulatory issues." [The New York Times, [07/10/17](#)]

- **Quarles Was Nominated To Serve Out "The Remainder Of A 14-Year Term Expiring January 31, 2018" And "For An Additional 14-Year Term Expiring January 31, 2032."** "Randal Quarles of Colorado to be a Member of the Board of Governors of the Federal Reserve System for the remainder of a 14-year term expiring January 31, 2018, and for an additional 14-year term expiring January 31, 2032, and to be Vice Chairman for Supervision of the Federal Reserve System for a term of 4 years." [Trump White House Archives, [07/10/17](#)]

October 2017: Quarles Was Confirmed By The Senate To Serve As A Member Of The Federal Reserve Board. "The Senate on Thursday voted to confirm Randal Quarles as a member of the Federal Reserve board, filling one of several vacancies." [CNBC, [10/05/17](#)]

November 2021: Quarles Announced He Would Step Down From The Federal Reserve Board Of Governors In December 2021. "Randal K. Quarles, a Federal Reserve governor who spent four years overseeing bank supervision, will step down from the Fed in December — opening an additional seat that will allow the Biden administration to reshape the central bank's leadership. Mr. Quarles's role as vice chair for supervision expired in October, but his term as governor was set to last until early 2032. The Trump appointee was widely expected to stay on until his time as head of the Financial Stability Board, a global monitoring and standard-setting body, ended in December. It was an open question whether he would stay after that." [The New York Times, [11/08/21](#)]

As Of November 2019, Quarles Was "Worth More Than \$32 Million."

November 2019: According to *The New York Times*, Quarles Was Worth More Than \$32 Million In 2019. "He is married to Hope Eccles, the great-niece of Marriner Eccles, who led the Fed from 1934 to 1948. He personally is worth more than \$32 million, based on his government financial disclosures." [The New York Times, [11/29/19](#)]

During His 2017 Confirmation Process, Quarles Said He Believed That There Was "A Lack Of Transparency" In The Fed's Stress Test Processes, Saying He Would Share More Information With The Public, Which Critics Said Would Make It Easier For Banks To Pass Tests.

During His 2017 Confirmation Hearing, Quarles Said There's "A Lack Of Transparency" Over The Fed's Stress Test Process, Adding He Would Share More Information With Banks, Which Critics Argued Would "Make It Easier For Banks To Pass The Stress Tests."

July 2017: Quarles Said There Was "A Lack Of Transparency" In Stress Test Processes, Adding He Wanted To Share More Information With The Public "So That Regulated Entities Have A Better Idea Of What To Expect." "Quarles saw a 'lack of transparency' in the stress-test processes, adding that he would want to share more information with the public so that regulated entities have a better idea of what to expect from CCAR evaluations." [S&P Global, [07/27/17](#)]

- **Critics Argued "Greater Disclosures On The CCAR Process Would Make It Easier For Banks To Pass The Stress Tests."** Critics argue that greater disclosures on the CCAR process would make it easier for banks to pass the stress tests." [S&P Global, [07/27/17](#)]

Quarles Added: "It's Not Giving The Answer Key," It's Giving Them The Questions." "It's not giving the entity the answer key,' Quarles said. 'It's giving them the questions. It's giving them the test.'" [S&P Global, [07/27/17](#)]

Quarles Also "Declined To Say Whether He Would Broadly Support An Increase Or Decrease In Capital Requirements." "He declined to say whether he would broadly support an increase or decrease in capital requirements, but said he would like to revisit standards on community banks." [S&P Global, [07/27/17](#)]

Prior To His Confirmation, Quarles Served Simultaneously On The Board Of Directors For The U.S. Chamber Of Commerce And The Financial Industry Regulatory Authority, Raising Concerns From Sen. Catherine Cortez Masto (D-NV) Of "An Obvious Conflict Of Interest."

In July 2017, Sen. Catherine Cortez Masto (D-NV) Questioned Quarles About His "Simultaneous Tenures" As A Board Member At The U.S. Chamber Of Commerce And The Financial Industry Regulatory Authority (FINRA), Which He Joined March 2009 And July 2015, Respectively.

July 2017: Sen. Catherine Cortez Masto (D-NV) Questioned Quarles About His "Simultaneous Tenures On The Boards Of Both The Chamber Of Commerce And The Financial Industry Regulatory Authority" (FINRA), Suggesting An "Obvious Conflict Of Interest." "Sen. Catherine Cortez Masto, D-Nev., criticized Quarles' simultaneous tenures on the boards of both the Chamber of Commerce and the Financial Industry Regulatory Authority, suggesting an 'obvious conflict of interest' given Quarles was working with a business-focused lobbying outfit and a group structured to regulate the financial sector." [U.S. News & World Report, [07/26/17](#)]

According To Quarles' 2017 Financial Disclosure, He Joined The Board Of Directors At The U.S. Chamber In March 2009 And The Board And Executive Committee Of FINRA In July 2015:

			Managers			
2	U.S. Chamber of Commerce	Washington, District of Columbia	Non-Profit	Member, Board of Directors (Uncompensated)	3/2009	Present
3	Financial Industry Regulatory Authority	Washington, District of Columbia	Non-Profit	Member, Board of Directors; Member, Executive Committee; Chairman, Management Compensation Committee	7/2015	Present

[Randal Keith Quarles OGE Form 278e Financial Disclosure, 2017, [06/01/17](#)]

In November 2017, A Report From The Public Investors Arbitration Bar Association Found That Six Of FINRA's 13 Board Members "Appear To Have Conflicts Of Interest" By Having "Material Wall Street Ties, Serv[ing] On Too Many Corporate Boards To Effectively Represent The Public."

November 2017: A Report From The Public Investors Arbitration Bar Association Found That Six Of FINRA's 13 Board Members "Appear To Have Conflicts Of Interest." "A new report from the Public Investors Arbitration Bar Association says that six of FINRA's 13 current and immediate past public governors 'appear to have conflicts of interest.'" [Public Investors Advocate Bar Association, [11/16/17](#)]

- **Headline: FINRA's Public Board Members Criticized For "Deep Ties" To Investment Industry, By James Langton.** [Public Investors Advocate Bar Association, [11/16/17](#)]
- **PIABA "Is An Education And Networking Organization For Securities Arbitration Attorneys Who Represent The Public Investor In Securities And Commodities Disputes."** "PIABA was established in 1990 as an educational and networking organization for securities arbitration attorneys who represent the public investor in securities disputes. Many PIABA members are involved in promoting the interests of the public investor in securities and commodities arbitration through Association, State and National Committee service." [Public Investors Advocate Bar Association, accessed [03/24/23](#)]

PIABA President Andrew Stoltmann Said: "This Report Shows That Many FINRA Public Governors Have Material Wall Street Ties, Serve On Too Many Corporate Boards To Effectively Represent The Public." "Unfortunately, FINRA's board of governors has public board members who have very deep ties to the securities industry thereby putting them in a potential conflict of interest situation,' says Andrew Stoltmann, the PIABA's president and co-author of the report. 'This report shows that many FINRA public governors have material Wall Street ties, serve on too many corporate boards to effectively represent the public, and face other conflicts of interest.'" [Public Investors Advocate Bar Association, [11/16/17](#)]

In October 2017 And July 2018, Industry Groups—including The American Bankers Association And Consumer Bankers Association—Congratulated Quarles On His Confirmation To The Federal Reserve.

In October 2017, The American Bankers Association CEO Rob Nichols "Welcomed Quarles' Confirmation" Saying "We Look Forward To Working With Vice Chairman Quarles In Crafting A Regulatory Program That Fosters Economic Growth."

October 2017: American Bankers Association President And CEO Rob Nichols "Welcomed Quarles' Confirmation," Saying "We Look Forward To Working With Vice Chairman Quarles In Crafting A Regulatory Program That Fosters Economic Growth." "American Bankers Association President and CEO Rob Nichols welcomed Quarles' confirmation. 'We look forward to working with Vice Chairman Quarles in crafting a regulatory program that fosters economic growth, and allows banks of all sizes to better serve their customers and communities without compromising safety and soundness,' he said." [ABA Banking Journal, [10/05/17](#)]

In July 2018, The Consumer Bankers Association Enthusiastically Congratulated Quarles For His Confirmation To A Full Term As Fed Governor.

July 2018: The Consumer Bankers Association Tweeted: "Congratulations [...]Vice Chair Quarles On Confirmation To Full Term As Federal Governor!":

Congratulations to [@federalreserve](#) Vice Chair Quarles on confirmation to full term as Federal Governor! [@cajunbanker](#): Vice Chair Quarles posses a unique blend of private and public sector experience, keen intellect and sound understanding of monetary and regulatory policy.

3:28 PM · Jul 17, 2018

[Consumer Bankers Association via Twitter, [07/17/18](#)]

During A May 2015 Interview With Bloomberg TV, Quarles Said The Post-2008 Crisis Volcker Rule "Was Not Well Designed," Saying The "Government Should Not Be A Player In The Financial Sector" But "A Referee."

During A May 2015 Interview With Bloomberg TV, Quarles Said The Volcker Rule—A Post-2008 Crisis Rule To Prevent Banks' "Gambling With Customer Funds"—"Was Not Well Designed" And Said "The Government Should Not Be A Player In The Financial Sector, It Should Be A Referee."

May 2015: During An Interview With *Bloomberg TV* Quarles Said: The Volcker Rule "Was Not Well Designed" And "The Government Should Not Be A Player In The Financial Sector, It Should Be A Referee." "The specific things like the Volcker Rule that were again, not well designed. [and] principally political. The macro issue is, the government should not be a player in the financial sector, it should be a referee." [Bloomberg TV, [05/06/15](#) (4:39)]

- **According To The Federal Reserve, "The Volcker Rule Generally Prohibits Banking Entities From Engaging In Proprietary Trading Or Investing In Or Sponsoring Hedge Funds Or Private Equity Funds."** "The Volcker rule generally prohibits banking entities from engaging in proprietary trading or investing in or sponsoring hedge funds or private equity funds." [The Federal Reserve, accessed [03/23/23](#)]
- **Consume Advocates Americans For Financial Reform State That The Volcker Rule, Created As A Response "To The Problems Revealed In The Global Financial Crisis" In 2008, "Makes The Banking System Safer By Banning [Banks'] Proprietary Gambling With Customer Funds."** "The Volcker Rule makes the banking system safer by banning proprietary gambling with customer funds, and sharply restricting bank sponsorship of external funds such as hedge funds that could permit banks to engage in such gambles through external vehicles. These restrictions on bank sponsorship of external funds, including securitizations, were and are directly responsive to the problems revealed in the global financial crisis." [Americans for Financial Reform, [03/12/14](#)]

In A March 2016 Wall Street Journal Op-Ed, Quarles Criticized The Concept Of "Too Big To Fail" Banks And Wrote That The Fed Should Evaluate Dodd-Frank Before "Arbitrarily Taking An Ax To Big Banks."

In A March 2016 Op-ed In The Wall Street Journal, Quarles Argued That The Concept Of "Too Big To Fail" Banks Was "Missing The Real Problem," Arguing The Fed Should "Evaluate The Impact Of Dodd-Frank On The Financial System Before Arbitrarily Taking An Ax To Big Banks."

March 2016: Quarles Co-Authored An Op-ed In *The Wall Street Journal* Which Argued Against Minneapolis Federal Reserve President "'Too Big To Fail'" Comment On Regulations Saying, "Focusing On Bank Size Is Politically Appealing But Diverts From" A Shortage Of Stable Deposits. "The new president of the Minneapolis Federal Reserve Bank, Neel Kashkari, recently made a stir by announcing that even after Dodd-Frank and the other regulatory responses to the financial crisis of 2008, the largest banks are still 'too big to fail.' [...] Mr. Kashkari is a serious policy maker, but these proposals are seriously misguided. Focusing on bank size is politically appealing but diverts attention from the major source of systemic risk in the financial sector: a shortage of stable deposits." [The Wall Street Journal, [03/31/16](#)]

- **Quarles Also Wrote The Fed Should "Evaluate The Impact Of Dodd-Frank On The Financial System Before Arbitrarily Taking An Ax To Big Banks."** "Lastly, fully measure and evaluate the impact of Dodd-Frank on the financial system before arbitrarily taking an ax to big banks and irreparably damaging the economy." [The Wall Street Journal, [03/31/16](#)]
- **Headline: Focusing on Bank Size, Missing the Real Problem** [The Wall Street Journal, [03/31/16](#)]

Reuters Reported That Quarles Had A "History Of Benefiting From Bank Bailouts" And Was Involved In Numerous Deals Involving Banks That Needed Government Support.

In July 2017, Reuters Reported Randal Quarles Had A "History Of Benefiting From Bank Bailouts" After He Was Involved In Investment Deals In Troubled Or Failed Banks That Received Government Support.

July 2017: *Reuters* Reported That While Quarles Was At The Carlyle Group, The Firm "Invested In Troubled Or Failed Banks" Which Made Hundreds Of Millions For The Firm But Required Government Support. "Randal Quarles, a former Wall Street lawyer and U.S. Treasury official who now runs an investment firm, was part of a team that invested in troubled or failed banks while he was an executive at private-equity firm Carlyle Group LP CG.O. Those investments earned hundreds of millions of dollars for Carlyle, profits that would not have been possible without government support." [Reuters, [07/12/17](#)]

- **Headline: Trump's Fed Nominee Has History Of Benefiting From Bailouts.** [Reuters, [07/12/17](#)]

While At The Firm, Quarles "Played A Key Role In Making A \$75 Million Investment In Boston Private Financial Holdings" And Acquired Failed Lender BankUnited From The FDIC. "While there, he played a key role in making a \$75 million investment in Boston Private Financial Holdings Inc BPFH.O, and was also part of a group that decided to jointly acquire failed lender BankUnited Inc BKU.N from the Federal Deposit Insurance Corp (FDIC), alongside private equity peers Blackstone Group LP BX.N, Centerbridge Partners LP and WL Ross & Co, as well as banker John Kanas." [Reuters, [07/12/17](#)]

- **Boston Private Received A \$150 Million Bailout From The Treasury Department Months After Carlyle's "Equity Infusion."** "Months after Carlyle's equity infusion, Boston Private received a \$150 million bailout from the Treasury Department, which it later repaid. Those taxpayer funds helped the firm weather the financial crisis, and allowed Carlyle to sell off its stake over time for a total of \$150 million, effectively doubling its money, according to a Reuters review of share sales the firm disclosed in regulatory filings." [Reuters, [07/12/17](#)]

As Vice Chair Of Supervision At The Federal Reserve, Randal Quarles Led A Series Of Efforts To “Roll Back The Crisis-Era Regulation That Overhauled Wall Street,” As He Proposed And Implemented Several Changes To The Bank Stress-Testing Regime And Supported Major Bank Deregulation Legislation.

As Vice Chair Of Supervision At The Federal Reserve, Randal Quarles Discussed “Substantial Big-Bank Deregulation” Under The Veil Of “Tailoring” Policy And Led Efforts To “Roll Back The Crisis-Era Regulation That Overhauled Wall Street.”

Federal Banking Regulators Have Utilized The Phrase “Tailor” To Refer To “Substantial Big-Bank Deregulation”—Including Randal Quarles, Who Used The Words “Tailor’ Or ‘Tailoring’ A Staggering 25 Times In A Single Related Policy Speech.” “These banking regulators—at the Federal Reserve Board of Governors, Office of the Comptroller of the Currency (OCC), and Federal Deposit Insurance Corp. (FDIC)—have proposed or finalized a host of changes to the big-bank safeguards put in place following the 2007–2008 financial crisis. The common refrain from these regulators is that the changes should be appropriately characterized as a commonsense ‘tailoring’ of regulation. In fact, Federal Reserve Vice Chair for Supervision Randal Quarles used the words ‘tailor’ or ‘tailoring’ a staggering 25 times in a single related policy speech. The phrase implies the changes are neutral tweaks. When analyzing them collectively, however, it becomes very clear that they are not. The regulatory actions, when taken together, amount to substantial big-bank deregulation and severely increase the fragility of the financial system.” [Center for American Progress, [05/16/19](#)]

May 31, 2018: During An Interview With CNBC, Randal Quarles Revealed “That The Proposal To Loosen Restrictions On Bank Trading Activities Is Just The Beginning Of Efforts To Roll Back The Crisis-Era Regulation That Overhauled Wall Street.” “Randal Quarles, the Federal Reserve’s vice chairman for bank supervision, said Thursday that the proposal to loosen restrictions on bank trading activities is just the beginning of efforts to roll back the crisis-era regulation that overhauled Wall Street. ‘We have had many years of experience with this body of post crisis regulation,’ he told CNBC’s Steve Liesman on Thursday during ‘Power Lunch,’ referring to the 2010 Dodd-Frank regulations put in place in response to the financial crisis. ‘There are a variety of ways we can make that regulation achieve its objective in a more efficient way.’” [CNBC, [05/31/18](#)]

May 2018: The Fed And Other Regulators Released A Proposal To Loosen Restrictions On Bank Trading Activity, Which Would Allow Banks “To Trade For Themselves On A Limited Basis And Would Allow Stakes In Funds In Order To Hedge Customer Risks”—Industry Had “Long Railed Against” Restrictions On This Type Of Activity. “On Wednesday the Fed and other regulators released a proposal to loosen restrictions on bank trading activity. The so-called Volcker Rule aimed to curtain risk taking, but the banking industry has long railed against the restrictions. ‘The changes that we’ve proposed we think will significantly reduce the burden without undermining the objective,’ Quarles said Thursday. The rule went into effect four years ago and prevented banks from trading for their own profit or investing in hedge funds and private equity funds. The new proposal would allow banks to trade for themselves on a limited basis and would allow stakes in funds in order to hedge customer risks. It also applies the strictest rules on banks with big trading businesses and lifts them for banks that don’t do much trading at all.” [CNBC, [05/31/18](#)]

While Quarles Was The Fed's Vice Chair For Supervision, He Affirmed His "Strong Support" Of The Principles Underlying Major Bank Deregulation Bill S. 2155 And The Fed Proposed And Implemented Several Changes To The Bank Stress-Testing Regime, With Quarles Admitting That "Periodic Stress Testing Has Turned Out To Be A Less Useful Supervisory Tool."

Randal Quarles Was The Federal Reserve's Vice Chair For Supervision From October 2017 Through December 2021. "He was also sworn in as Vice Chair for Supervision in October 2017 and his term for that position ended on October 13, 2021. He resigned December 25, 2021." [Federal Reserve History, accessed 03/30/23]

December 2017: The Fed Proposed Several Changes To "Fundamentally Weaken" The Bank Stress-Testing Regime, Which Is Meant To "Ensure Banks Have Sufficient Capital Buffers To Handle A Severe Financial Shock And Economic Downturn." "The Fed proposed or finalized several changes to the bank stress-testing regime that would fundamentally weaken this important regulatory tool. Stress tests are meant to ensure banks have sufficient capital buffers to handle a severe financial shock and economic downturn, while still serving the credit needs of the real economy. The first stress tests were conducted in 2009 and have played an important role in improving both the capital levels and internal capital planning capabilities at big banks." [Center for American Progress, [05/16/19](#)]

- **December 2017: The Federal Reserve "Released A Package Of Proposed Changes To Its Framework For Supervisory Stress Testing" For Large, Systemically Important Banks And Nonbank Financial Companies.** "In December, the Federal Reserve released a package of proposed changes to its framework for supervisory stress testing. The Fed's stress tests for large bank holding companies and systemically important nonbank financial companies have been arguably the most important prudential regulatory tool implemented following the 2007-2008 financial crisis." [Center for American Progress, [03/20/18](#)]

October 2, 2018: When Giving Testimony Before The Senate Committee On Banking, Housing, And Urban Affairs, Randal Quarles Said The Federal Reserve Board's "Strongly Supports" Of The Principles Underlying Major Deregulation Bill S. 2155, Including Efforts To "Improve The Efficiency" Of Regulation. "While recognizing that the core objectives of the post-crisis regime--higher and better quality capital, stronger liquidity, and increased resolvability--have contributed to reducing the likelihood of another severe financial crisis, the Act also acknowledges that we should be seeking to improve the efficiency with which we achieve these objectives, and gives the federal banking agencies the task of executing the thoughtful detail work necessary to enhance that efficiency. Of course, detail work can be challenging to get right. The Federal Reserve Board (Board) strongly supports the principle underlying the Act of tailoring regulation to risk, and we have embedded this principle in several aspects of our regulatory and supervisory framework." [Board of Governors of the Federal Reserve, [10/02/18](#)]

- **S. 2155 "Considerably" Weakened The Dodd-Frank Act, "Which Was Designed To Tame Wall Street, Protect Consumers And Make Our Financial System Less Fragile."** "The bill, S. 2155, would considerably weaken the Dodd-Frank Wall Street Reform and Consumer Protection Act, the law President Barack Obama signed in 2010, which was designed to tame Wall Street, protect consumers and make our financial system less fragile. Lifting the sensible limits imposed by Dodd-Frank would be a dream come true for the banking sector, but eventually a nightmare for the rest of us. This bill will hurt homeowners and allow giant banks once again to take big risks with taxpayer-backed, FDIC-insured customer deposits." [CNN, [03/05/18](#)]

July 9, 2019: At "Stress Testing: A Discussion And Review," A Research Conference Sponsored By The Federal Reserve Bank Of Boston, Quarles Admitted That "Periodic Stress Testing Has Turned Out To Be A Less Useful Supervisory Tool To Evaluate The Risks Of Smaller And Less Complex Financial Institutions." "Something else that shouldn't be surprising is that this experience has revealed that periodic

stress testing has turned out to be a less useful supervisory tool to evaluate the risks of smaller and less complex financial institutions.” [Board of Governors of the Federal Reserve, [07/09/19](#)]

- **At The Same Conference, Quarles Claimed The Stress Test Buffer Would “Not Reduce The Stringency Of The Regulatory Capital Framework For Large Banks,” While The Number Of Capital Requirements Applicable To Large Banks Fell From 18 To Eight And The Number Of Different Total Loss Absorbing Capacity Requirements For Large Banks Fell From 24 To 14.** “The stress capital buffer would result in a more transparent and simplified system of regulatory capital requirements because a firm will be held to a single, integrated capital regime. The stress capital buffer would not reduce the stringency of the regulatory capital framework for large banks, but it would effect a substantial simplification of that framework. By my math, the number of different capital requirements applicable to large banks would fall from 18 to eight and the number of different total loss absorbing capacity requirements for large banks would fall from 24 to 14.” [Board of Governors of the Federal Reserve, [07/09/19](#)]

As Quarles Announced Deregulations, Senator Elizabeth Warren (D-MA) And Senator Sherrod Brown (D-OH) Called Him Out For “Put[ting] The Economy And Hardworking Families At Risk,” Slammed Him For Not Strengthening Supervision Of Credit Suisse After It Failed Stress Tests, And Accused Him Of Doing “The Bidding Of Wall Street.”

In June 2020, After Federal Banking Regulators Announced Temporary Changes To The Supplementary Leverage Ratio (SLR) Rule—Which “Serves As A Complement To The Risk-Weighted Capital Requirements That Also Apply To Banks”—Senators Elizabeth Warren (D-MA) And Sherrod Brown (D-OH) Told Quarles That The Change To “Weaken This Requirement Amidst An Economic Crisis Is Dangerous And Puts The Economy And Hardworking Families At Risk.”

The Fed Proposed Removing The Supplementary Leverage Ratio (SLR) Rule From Stress Tests, Which “Serves As A Complement To The Risk-Weighted Capital Requirements That Also Apply To Banks,” With Quarles Suggesting “The Fed May Remove All Leverage Measures From The Tests.” “Second, the Fed proposed removing the supplementary leverage ratio (SLR)—an important capital requirement—from the stress tests. The SLR does not take the riskiness of a bank’s assets into account and serves as a complement to the risk-weighted capital requirements that also apply to banks. This is one of the measures that prevented some Wall Street banks from initially passing the 2018 stress tests, and its removal certainly makes the tests less challenging for big banks. Fed Vice Chair for Supervision Quarles even suggested the Fed may remove all leverage measures from the tests.” [Center for American Progress, [05/16/19](#)]

May 15, 2020: The Federal Bank Regulatory Agencies Announced Temporary Changes To The SLR Rule, Claiming The Change Will “Provide Flexibility To Certain Depository Institutions To Expand Their Balance Sheets.” “The federal bank regulatory agencies today announced temporary changes to their supplementary leverage ratio rule. The temporary modifications will provide flexibility to certain depository institutions to expand their balance sheets in order to provide credit to households and businesses in light of the challenges arising from the coronavirus response.” [Board of Governors of the Federal Reserve, [05/15/20](#)]

June 19, 2020: Following The Interim Change To The SLR Rule, Senator Elizabeth Warren And Senator Sherrod Brown Wrote To Quarles Expressing Their Concern That The Change To “Weaken This Requirement Amidst An Economic Crisis Is Dangerous And Puts The Economy And Hardworking Families At Risk.” “We write concerning recent changes implemented by the Federal Reserve Board of Governors (Fed), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) to weaken the Supplementary Leverage Ratio (SLR), a critical regulatory requirement for the largest

banks. The SLR is a key component of the regulatory framework that Congress developed to protect Americans from another financial crisis. The interim rule that you jointly released to weaken this requirement amidst an economic crisis is dangerous and puts the economy and hardworking families at risk.” [U.S. Senator Elizabeth Warren, [06/19/20](#)]

In 2021, After Randal Quarles Weakened Supervision For Credit Suisse, The Bank “Suffered Over \$5 Billion In Losses Following The Risky Betting And Collapse Of Archegos,” With Senator Warren Calling Out Quarles For Not Strengthening Supervision After The Bank Failed Previous Stress Tests—The Bank Would Later Collapse In 2023 Due To Its “Numerous Scandals.”

In 2021, After Quarles Announced Plans To Weaken Supervision For Credit Suisse, Despite Failing The Fed’s Annual Stress Tests The Previous Year, Credit Suisse “Suffered Over \$5 Billion In Losses Following The Risky Betting And Collapse Of Archegos,” To Which Credit Suisse Was Exposed. “In 2020, Quarles, whose job at the Fed is to oversee the safety and soundness of banks, announced his intent to weaken supervision for Credit Suisse, despite the giant bank’s failure to accurately project its trading losses in the Fed’s annual stress tests a year earlier. In March 2021, Credit Suisse suffered over \$5 billion in losses following the risky betting and collapse of Archegos, to which Credit Suisse had a \$20 billion exposure—an amount far greater than the bank was aware of.” [U.S. Senator Elizabeth Warren, [05/25/21](#)]

May 25, 2021: Sen. Warren Argued That “Credit Suisse’s Poor Management” “Demonstrates That The Fed Should Have Strengthened Supervision Of The Bank” And Should Have Kept The Bank In The “Supervision Portfolio Where It Would Have Received The Greatest Scrutiny From Regulators.” “Credit Suisse’s poor management of its Archegos holdings demonstrates that the Fed should have strengthened supervision of the bank following the stress test results. Instead, with the approval of Quarles, the Fed moved the bank from the supervision portfolio where it would have received the greatest scrutiny from regulators.” [U.S. Senator Elizabeth Warren, [05/25/21](#)]

March 2023: Credit Suisse Collapsed After “Numerous Scandals In Recent Years.” “Credit Suisse, the second-largest bank in Switzerland, collapsed in March 2023 and was bought by rival UBS for 3 billion CHF (about \$3.3 billion USD). Credit Suisse faced numerous scandals in recent years, including a spying scandal, the collapse of two investment funds in which the bank was heavily involved, and a rotating group of executives.” [Investopedia, accessed [03/30/23](#)]

In 2021, Ahead Of Randy Quarles’ Term Expiring, Senators Warren And Brown Slammed Quarles For “Cutting Holes In The Safety Net” And Doing “The Bidding Of Wall Street Far Too Many Years.”

May 25, 2021: Sen. Warren Slammed Quarles’ Role As Supervisor, Saying That “Instead Of Protecting The Financial System, Quarles Has Spent His Time At The Fed Cutting Holes In The Safety Net.” “Instead of protecting the financial system, Quarles has spent his time at the Fed cutting holes in the safety net. Quarles’ term as Vice Chair is up in five months, and Senator Warren is calling on President Biden to fill his role with someone who will keep the financial system safe.” [U.S. Senator Elizabeth Warren, [05/25/21](#)]

June 6, 2021: Senate Banking Committee Chair Sherrod Brown “Criticized Quarles For Inaction On Banking Supervision Issues” And Accused Quarles Of Doing “The Bidding Of Wall Street [For] Far Too Many Years.” “Senate Banking Committee Chair Sherrod Brown said he expects Federal Reserve Vice Chair Randal Quarles’s oversight of the central bank’s financial supervision to end with the conclusion of his term in October. ‘He has frankly done the bidding of Wall Street far too many years,’ Brown said of Quarles in an interview on Bloomberg Television’s ‘Balance of Power’ with David Westin on Thursday. [...] Brown, an Ohio Democrat, criticized Quarles for inaction on banking supervision issues including the allowance of stock buybacks and the level of capital, along with failing to push more stringent stress tests.” [Bloomberg, [06/08/21](#)]

In March 2023, Former Federal Reserve Vice Chair For Supervision Randal Quarles “Played Down The Role Of Looser Rules In Silicon Valley Bank’s Collapse,” Arguing It “Wasn’t Related To Regulatory Changes” During His Tenure While Criticizing The Move To “Devise Even More Unfocused And Restrictive Regulation.”

March 2023: Shortly After Silicon Valley Bank’s (SVB) Collapse, Former Federal Reserve Vice Chair For Supervision Randal Quarles “Played Down The Role Of Looser Rules In Silicon Valley Bank’s Collapse,” Insisting That The Changes The Fed Made During His Tenure “Had Nothing To Do’ With The SVB Collapse.”

March 14, 2023: Former Federal Reserve Vice Chair For Supervision Randal Quarles “Played Down The Role Of Looser Rules In Silicon Valley Bank’s Collapse.” “Former Federal Reserve Vice Chair for Supervision Randal Quarles played down the role of looser rules in Silicon Valley Bank’s collapse and said he expects the Fed to raise rates a quarter point next week. Speaking Tuesday evening in New York, he said financial stability concerns surrounding SVB’s failures undermine support for a 50 basis-point increase at the Fed’s March 21-22 meeting.” [Bloomberg, [03/14/23](#)]

- **March 10, 2023: Silicon Valley Bank (SVB) Was Shut Down And Put Into Federal Deposit Insurance Corporation Receivership Following An “Old-Fashioned Bank Run.”** “Silicon Valley Bank, which catered to the tech industry for three decades, collapsed on March 10, 2023, after the Santa Clara, California-based lender suffered from an old-fashioned bank run. State regulators seized the bank and made the Federal Deposit Insurance Corporation its receiver. SVB, as it’s known, was the biggest U.S. lender to fail since the 2008 global financial crisis – and the second-biggest ever.” [PBS, [03/13/23](#)]

Quarles Insisted “The Changes The Fed Made To Bank Regulations During His Tenure ‘Had Nothing To Do’ With The SVB Collapse.” “He said a smaller move, followed by a policy pause, was the most likely outcome. The changes the Fed made to bank regulations during his tenure ‘had nothing to do’ with the SVB collapse, Quarles said at the event organized by the Money Marketeers of New York University. ‘I think there’s interesting questions around supervision and interesting questions about the treatment of uninsured deposits,’ he said.” [Bloomberg, [03/14/23](#)]

Later In March 2023, Randal Quarles Wrote An Opinion Piece For The Wall Street Journal, Arguing SVB’s Collapse “Wasn’t Related To Regulatory Changes” And Criticizing The Move To “Devise Even More Unfocused And Restrictive Regulation.”

March 27, 2023: Randal Quarles Wrote An Opinion Piece In The *Wall Street Journal*, With A Subheading Stating That It Was “So Nonsensical, It’s Not Even Wrong” To “Blame A Bipartisan 2018 Reform Law For The Bank’s Collapse.” “Some lawmakers blame a bipartisan 2018 reform law for the bank’s collapse. That’s so nonsensical, it isn’t even wrong.” [The Wall Street Journal, [03/27/23](#)]

Quarles Argued SVB’s Collapse “Wasn’t Related To Regulatory Changes,” Echoing Michael Barr’s Sentiment That “It Was A ‘Textbook Case Of Mismanagement.’” “SVB’s failure wasn’t related to regulatory changes. Rather, it was a ‘textbook case of mismanagement,’ as Michael Barr, the Federal Reserve’s Vice Chairman for Supervision, said Monday.” [The Wall Street Journal, [03/27/23](#)]

When Discussing Potential Courses Of Action, Quarles Criticized The Move To “Devise Even More Unfocused And Restrictive Regulation, Increasing The Cost Of Capital And Further Slowing Economic

Growth. “Must we simply throw up our hands and insure all deposits of any size with the attendant moral hazard—or worse, devise even more unfocused and restrictive regulation, increasing the cost of capital and further slowing economic growth? I don’t think so.” [The Wall Street Journal, [03/27/23](#)]

Quarles Has Contributed At Least \$190,900 To Republican Committees, Members Of Congress, And Republican Presidential Candidates, Including At Least \$81,300 To The National Republican Senatorial And Congressional Committees, \$30,800 To The Republican National Committee, \$54,800 To Mitt Romney's Presidential Campaigns, And \$9,900 To Current Members Of The House Financial Services And Senate Banking Committees.

Quarles Has Contributed At Least \$81,300 To The National Republican Senatorial Committee (NRSC) And The National Republican Congressional Committee.

Through Just Seven Contributions, Quarles Has Given \$81,300 To The National Republican Senatorial Committee (NRSC) And The National Republican Congressional Committee:

Recipient	Contributor	Employer	Position	Date	Amount
NRSC	QUARLES, RANDAL K MR	THE CYNOSURE GROUP	MANAGING DIRECTOR	11/3/16	\$33,400
NRSC	QUARLES, RANDAL K MR	THE CYNOSURE GROUP	MANAGING DIRECTOR	11/3/16	\$1,600
NATIONAL REPUBLICAN SENATORIAL COMMITTEE	QUARLES, RANDAL K MR	CARLYLE GROUP	MANAGING DIRECTOR	9/23/14	\$32,400
NATIONAL REPUBLICAN SENATORIAL COMMITTEE	QUARLES, RANDAL K MR	THE CARLYLE GROUP	INVESTOR	9/18/12	\$3,350
NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE	QUARLES, RANDAL K MR	THE CARLYLE GROUP	INVESTOR	7/31/12	\$3,350
NATIONAL REPUBLICAN SENATORIAL COMMITTEE	QUARLES, RANDAL K MR	THE CARLYLE GROUP	MANAGING DIRECTOR	10/19/10	\$2,500
NATIONAL REPUBLICAN SENATORIAL COMMITTEE	QUARLES, RANDAL K MR	THE CARLYLE GROUP	MANAGING DIRECTOR	10/7/08	\$4,700
TOTAL: \$81,300					

[Federal Election Commission, accessed [03/30/23](#)]

Randy Quarles Has Contributed At Least \$7,900 To Sen. Mike Crapo (R-ID), The Former Senate Banking Committee Chairman During Passage Of S. 2155.

Quarles Has Contributed At Least \$7,900 To Sen. Mike Crapo (R-ID):

Recipient	Contributor	Employer	Position	Date	Amount
MIKE CRAPO FOR US SENATE	QUARLES, RANDAL	THE CYNOSURE GROUP	INVESTOR	6/30/16	\$2,700
MIKE CRAPO FOR US SENATE	QUARLES, RANDAL	THE CYNOSURE GROUP	INVESTOR	6/30/16	\$2,700
FREEDOM FUND	QUARLES, RANDAL	THE CARLYLE GROUP	INVESTOR	02/29/12	\$2,500
TOTAL: \$7,900					

[Federal Election Commission, accessed [03/30/23](#)]

- **Sen. Crapo (R-ID) Is Currently A Member On The Senate Committee On Banking, Housing, And Urban Affairs.** [United States Senate Committee on Banking, Housing, and Urban Affairs, accessed [03/27/23](#)]
- **In 2018, Crapo Was The Chairman Of The Senate Committee On Banking, Housing, And Urban Affairs.** [Committee And Subcommittee Assignments For The One Hundred Fifteenth Congress, [06/28/18](#)]
- **Sen. Mike Crapo Is The Leadership PAC Sponsor Of The Freedom Fund.** [Federal Election Commission, accessed [03/30/23](#)]
- **S. 2155 Was Signed Into Law In May 2008.** [Congress.gov, accessed [03/31/23](#)]

Randy Quarles Has Contributed At Least \$7,500 To Speaker Rep. Kevin McCarthy (R-CA).

Quarles Has Contributed At Least \$7,500 To Rep. Kevin McCarthy's (R-CA) Campaign:

Recipient	Contributor	Employer	Position	Date	Amount
KEVIN MCCARTHY FOR CONGRESS	QUARLES, RANDAL	THE CARLYLE GROUP	INVESTOR	9/21/12	\$2,500
MAJORITY COMMITTEE PAC--MC PAC	QUARLES, RANDAL K	THE CARLYLE GROUP	MANAGING DIRECTOR	10/19/10	\$5,000
TOTAL: \$7,500					

[Federal Election Commission, accessed [03/30/23](#)]

- **Rep. Kevin McCarthy Is The Leadership PAC Sponsor For Majority Committee--MC PAC.** [Federal Election Commission, accessed [03/30/23](#)]

Quarles Has Contributed At Least \$30,800 To The Republican National Committee.

Quarles Has Contributed At Least \$30,800 To The Republican National Committee (NRC):

Recipient	Contributor	Employer	Position	Date	Amount
REPUBLICAN NATIONAL COMMITTEE	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	INVESTOR	7/14/12	\$30,800
TOTAL: \$30,800					

[Federal Election Commission, accessed [03/30/23](#)]

Quarles Contributed \$2,000 To George W. Bush's Presidential Campaign.

Quarles Contributed At Least \$2,000 To George W. Bush's Presidential Campaign:

Recipient	Contributor	Employer	Position	Date	Amount
BUSH-CHENEY 2000 COMPLIANCE COMMITTEE INC	QUARLES, RANDAL K. MR.	(not listed)		5/30/00	\$1,000
BUSH FOR PRESIDENT INC	QUARLES, RANDAL K	DAVIS POLK & WARDELL		4/20/99	\$1,000
TOTAL: \$2,000					

[Federal Election Commission, accessed [03/30/23](#)]

Quarles Contributed At Least \$54,800 To Mitt Romney During His Presidential Bids.

Quarles Contributed At Least \$54,800 To Mitt Romney's Presidential Campaign:

Recipient	Contributor	Employer	Position	Date	Amount
ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	PRIVATE EQUITY	2/29/08	-\$2,300
ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K MR.	SELF-EMPLOYED	LAWYER & INVESTOR	1/5/07	\$2,100
ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	PRIVATE EQUITY	1/9/08	\$2,300
ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K MR.	SELF-EMPLOYED	LAWYER & INVESTOR	1/29/07	\$200
ROMNEY VICTORY INC	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	INVESTOR	7/12/12	\$40,000
ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	INVESTOR	6/10/11	-\$2,500
RESTORE OUR FUTURE, INC.	QUARLES, RANDAL	THE CARLYLE GROUP/INVESTOR	INVESTOR	1/31/12	\$7,500
ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	INVESTOR	5/16/11	\$2,500

ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	INVESTOR	5/16/11	\$2,500
ROMNEY FOR PRESIDENT INC.	QUARLES, RANDAL K. MR.	THE CARLYLE GROUP	INVESTOR	7/12/12	\$2,500
TOTAL: \$54,800					

[Federal Election Commission, accessed [03/30/23](#)]

- **Restore Our Future Was “Created By Former Aides To Mitt Romney” To Aid His 2012 Presidential Bid.** “Super PAC: Restore Our Future [...] Created by former aides to Mitt Romney, the former governor of Massachusetts, this ‘super PAC’ began spending money on broadcast and print advertisements early in the primary season. After attacking Mr. Romney’s Republican primary opponents, it has since turned its attention to criticizing President Obama and promoting Mr. Romney’s campaign.” [The New York Times, accessed [03/30/23](#)]

Quarles Contributed At Least \$4,600 To Former Presidential Candidate John McCain.

Quarles Contributed At Least \$4,600 To John McCain For President:

Recipient	Contributor	Employer	Position	Date	Amount
McCain Victory 2008	QUARLES, RANDAL K. MR.	CARLYLE GROUP	MANAGING DIRECTOR	06/09/08	\$2,300
John McCain 2008 Inc.	QUARLES, RANDAL K. MR.	CARLYLE GROUP	MANAGING DIRECTOR	06/09/08	\$2,300
TOTAL: \$4,600					

[Federal Election Commission, accessed [03/30/23](#)]

Quarles Contributed At Least \$2,000 To Rep. Alex Mooney (R-WV), A Member Of The House Financial Services Committee.

Quarles Has Contributed At Least \$2,000 To Rep. Alex Mooney’s (R-WV) Campaign:

Recipient	Contributor	Employer	Position	Date	Amount
MOONEY FOR CONGRESS	QUARLES, RANDAL	THE CYNOSURE GROUP	INVESTOR	3/31/14	\$2,000
TOTAL: \$2,000					

[Federal Election Commission, accessed [03/30/23](#)]

- **Rep. Mooney (R-WV) Is Currently On The House Financial Services Committee.** “Congressman Mooney serves on the House Financial Services Committee which oversees some of the most important economic issues facing West Virginia, such as our banking, insurance, housing and investment policies.” [Rep. Alexander Mooney, accessed [03/27/23](#)]

Quarles—Who Has Given At Least \$9,900 To Rep. Alex Mooney (R-WV) And \$7,900 To Sen. Mike Crapo (R-ID), Members Of The House Financial Services Committee And The Senate Banking Committee—Frequently Met With Republican Senators And Republican Representatives And Was Praised For "Spearhead[ing] Efforts To Right-Size Overly Burdensome Regulations."

Randal Quarles Has Contributed At Least \$2,000 To Rep. Alex Mooney Who Is On The House Financial Services Committee.

Quarles Has Contributed At Least \$2,000 To Rep. Alex Mooney's (R-WV) Campaign:

Recipient	Contributor	Employer	Position	Date	Amount
MOONEY FOR CONGRESS	QUARLES, RANDAL	THE CYNOSURE GROUP	INVESTOR	3/31/14	\$2,000
TOTAL: \$2,000					

[Federal Election Commission, accessed [03/30/23](#)]

- **Rep. Mooney (R-WV) Is Currently On The House Financial Services Committee.** [Rep. Alexander Mooney, accessed [03/27/23](#)]

Quarles Contributed At Least \$7,900 To Sen. Mike Crapo, A Member Of The Senate Banking Committee And Its Recent Chairman.

Quarles Has Contributed At Least \$7,900 To Sen. Mike Crapo (R-ID):

Recipient	Contributor	Employer	Position	Date	Amount
FREEDOM FUND	QUARLES, RANDAL	THE CARLYLE GROUP	INVESTOR	02/29/12	\$2,500
MIKE CRAPO FOR US SENATE	QUARLES, RANDAL	THE CYNOSURE GROUP	INVESTOR	6/30/16	\$2,700
MIKE CRAPO FOR US SENATE	QUARLES, RANDAL	THE CYNOSURE GROUP	INVESTOR	6/30/16	\$2,700
TOTAL: \$7,900					

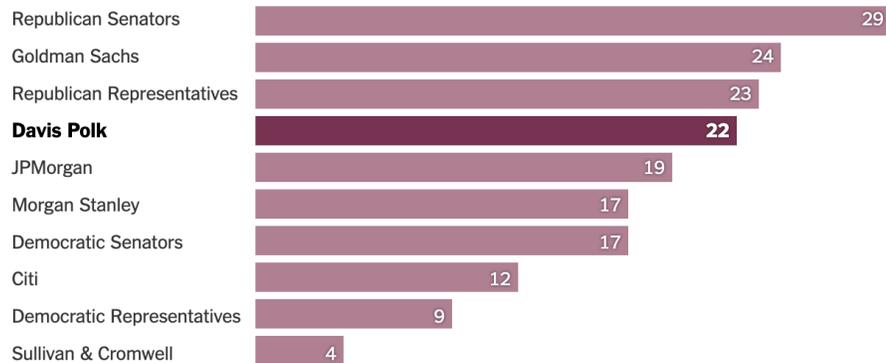
- **Sen. Crapo (R-ID) Is Currently A Member On The Senate Committee On Banking, Housing, And Urban Affairs.** [United States Senate Committee on Banking, Housing, and Urban Affairs, accessed [03/27/23](#)]
- **In 2018, Crapo Was The Chairman Of The Senate Committee On Banking, Housing, And Urban Affairs.** [Committee And Subcommittee Assignments For The One Hundred Fifteenth Congress, [06/28/18](#)]

In His First Several Months As Vice Chair For Supervision, Randal Quarles Met With Republican Senators And Republican Representatives Twice As Often As He Did With Democratic Members Of Congress.

In His First Several Months As Vice Chair For Supervision, Randal Quarles Met With Republican Senators 29 Times And Republican Representatives 23 Times—A Total Of 52—While Only Meeting With Democratic Senators And Representatives A Total Of 26 Times:

Some of Quarles's Frequent Meetings

The Fed's supervisory vice chair talks with lawyers at Davis Polk, his former employer, often. Here are a few groups he met with regularly between October 2017 and June 2019.



Note: In two cases, Davis Polk representatives were not listed but their attendance was recorded elsewhere. Chart ignores central bank, administration and regulatory officials. Sullivan & Cromwell included for comparison. Large-group meetings with lawmakers not included.

By The New York Times | Source: Federal Reserve

[The New York Times, [11/29/19](#)]

In November 2021, Current House Financial Services Chairman Patrick McHenry (R-NC) Said Vice Chairman Quarles "Spearheaded Efforts To Right-Size Overly Burdensome Regulations," Urging Biden To "Appoint Someone In Governor Quarles' Mold" After Quarles' Announcement He Would Resign From The Federal Reserve Board Of Governors.

November 2021: Quarles Announced He Would Step Down From The Federal Reserve Board Of Governors In December 2021. "Randal K. Quarles, a Federal Reserve governor who spent four years overseeing bank supervision, will step down from the Fed in December — opening an additional seat that will allow the Biden administration to reshape the central bank's leadership. Mr. Quarles's role as vice chair for supervision expired in October, but his term as governor was set to last until early 2032. The Trump appointee was widely expected to stay on until his time as head of the Financial Stability Board, a global monitoring and standard-setting body, ended in December. It was an open question whether he would stay after that." [The New York Times, [11/08/21](#)]

November 2021: Rep. Patrick McHenry (R-NC), Then House Financial Services Committee Ranking Member, Said "Governor Quarles Has Been A Tireless Advocate For Strengthening Our Financial System" And "Has Steadfastly Spearheaded Efforts To Right-Size Overly Burdensome Regulations," Urging President Biden To "Appoint Someone In Governor Quarles' Mold." "Today, the top Republican

on the House Financial Services Committee, Patrick McHenry (NC-10), issued the following statement regarding Randal Quarles' announcement of his forthcoming departure from the Federal Reserve Board of Governors: 'Governor Quarles has been a tireless advocate for strengthening our financial system throughout his time on the Federal Reserve Board,' said Republican Leader McHenry. 'As Vice Chair for Supervision, he has steadfastly spearheaded efforts to right-size overly burdensome regulations, helping to foster financial inclusion. Governor Quarles also played a critical role in our whole-of-government response to COVID-19. I thank him for his service to build a robust recovery and ensure the long-term success of our nation's economy. President Biden should appoint someone in Governor Quarles' mold.'" [Representative Patrick McHenry, [11/08/21](#)]

- **Rep. McHenry Is Currently The Chairman Of The House Committee On Financial Services.** [U.S. House Committee on Financial Services, accessed [03/28/23](#)]

In April 2018, Rep. Blaine Luetkemeyer (R-MO) "Welcomed" Quarles To A House Financial Services Committee Hearing, Saying He Agreed With Quarles' Statements To "Do A Comprehensive Examination Of The Previous Administration's Regulatory Regime," Adding The Federal Reserve Should "Tailo[r] Its Supervisory Approach On An Institution-By-Institution Basis."

April 2018: Rep. Blaine Luetkemeyer (R-MO) "Welcomed" Quarles Before The House Financial Services Committee, Saying He "Wholeheartedly" Agreed With Quarles' Statements That "It's Time To Step Back And Do A Comprehensive Examination Of The Previous Administration's Regulatory Regime." "After the better part of a decade without a Vice Chair for Supervision, House Financial Services Subcommittee on Financial Institutions Chairman Blaine Luetkemeyer (MO-03) welcomed Randal Quarles for his semi-annual testimony today: [...] Since your initial confirmation in October, you've made many statements outlining your agenda and your intentions. I wholeheartedly agree that it's time to step back and do a comprehensive examination of the previous administration's regulatory regime." [Representative Blaine Luetkemeyer, [04/17/18](#)]

- **Luetkemeyer Also Said The Federal Reserve Needs To "Tailo[r] Its Supervisory Approach On An Institution-By-Institution Basis."** "We also need to ensure the Federal Reserve adequately and appropriately tailors its supervisory approach on an institution-by-institution basis, and puts more thought into the manner in which it regulates and examines." [Representative Blaine Luetkemeyer, [04/17/18](#)]

Rep. Luetkemeyer Is Currently The Chair Of The "Subcommittee On National Security, Illicit Finance, And International Financial Institutions" Under The House Financial Services Committee. [U.S. House Committee on Financial Services, accessed [03/28/23](#)]