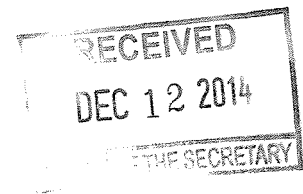


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UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of

THOMAS A. NEELY, JR.

Respondent.

Admin. Pro. File No. 3-15945

**REGIONS FINANCIAL CORPORATION'S RESPONSE TO
RESPONDENT'S DECEMBER 9, 2014 MOTION TO COMPEL**

Respondent seeks the production of Privilege Log Document Number 2 and an *in camera* review of Privilege Log Document Numbers 1, 3-15 and 18. As an initial matter, Regions Financial Corporation ("Regions") already produced, in full, Privilege Log Document Number 2 in its document production to Respondent. That document was listed on the Privilege Log simply to inform Respondent that Privilege Log Document Number 2 was an attachment to Privilege Log Document Number 1. Regions did not assert a privilege because there is not one to assert. Thus, Respondent's request for the production of Privilege Log Document Number 2 is moot.

Respondent's remaining request is for an *in camera* review of Privilege Log Document Numbers 1, 3-15 and 18, which Regions claims contain Confidential Supervisory Information ("CSI"). Respondent's only argument in support of his request is that "the bank examiners privilege protects agency opinions or

recommendations, not factual material. *In re Subpoena Served Upon the Comptroller of the Currency, and the Secretary of the Board of Governors of the Federal Reserve System*, 967 F.2d 630, 634 (D.C. Cir. 1992).” Respondent provides no support for the assertion, nor does he even expressly state, that he believes Privilege Log Document Numbers 1, 3-15 and 18 contain only factual material. Instead, he questions, without reason, whether the listed documents actually contain CSI. Such fishing expeditions are improper. Without more compelling support, an *in camera* review of these documents is not an efficient use of the Administrative Law Judge’s time.

Furthermore, contrary to the limited definition provided by Respondent, CSI is defined rather broadly to include:

- (i) Exempt information consisting of reports of examination, inspection and visitation, confidential operating and condition reports, and any information derived from, related to, or contained in such reports;
- (ii) Information gathered by the Board in the course of any investigation, suspicious activity report, cease-and-desist orders, civil money penalty enforcement orders, suspension, removal or prohibition orders, or other orders or actions under the Financial Institutions Supervisory Act of 1966, Public Law 89-695, 80 Stat. 1028 (codified as amended in scattered sections of 12 U.S.C.), the Bank Holding Company Act of 1956, 12 U.S.C. 1841 et seq., the Home Owners' Loan Act, 12 U.S.C. 1461 et seq., the Federal Reserve Act, 12 U.S.C. 221 et seq., the International Banking Act of 1978, Public Law 95-369, 92 Stat. 607 (codified as amended in scattered sections of 12 U.S.C.), and the International Lending Supervision Act of 1983, 12 U.S.C. 3901 et seq.; except--

(A) Such final orders, amendments, or modifications of final orders, or other actions or documents that are specifically required to be published or made available to the public pursuant to 12 U.S.C. 1818(u), or other applicable law, including the record of litigated proceedings; and

(B) The public section of Community Reinvestment Act examination reports, pursuant to 12 U.S.C. 2906(b); and

(iii) Any documents prepared by, on behalf of, or for the use of the Board, a Federal Reserve Bank, a federal or state financial institutions supervisory agency, or a bank or bank holding company or other supervised financial institution.

12 C.F.R. § 261.2(c)(1). Regions withheld and redacted only the documents that fell within this definition and recorded those documents on Regions' Privilege Log. Regions produced all other non-privileged, non-CSI responsive documents.

Finally, unlike in the case above cited by Respondent, Respondent is seeking documents directly from Regions rather than through a request to the appropriate bank regulator.¹ Regions is prohibited by law from providing CSI to any third party.² See 12 C.F.R. § 261.20(g) ("No supervised financial institution, financial institution supervisory agency, person, or any other party to whom the information

¹ Federal regulations provide a mechanism for litigants seeking CSI. See 12 C.F.R. § 261.22(b)(1). Those seeking CSI must "file a written request with the General Counsel of the Board." *Id.* The request must include the information listed in 12 C.F.R. § 261.22(b)(1).

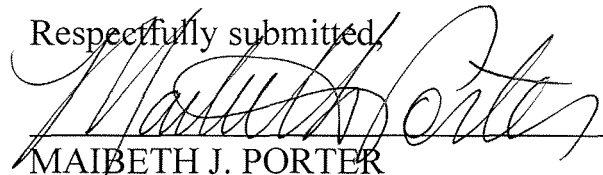
² Federal regulations provide a few exceptions to this general rule. See 12 C.F.R. § 261.20. One exception allows banks to share CSI with the bank's legal counsel and certified public accountants, but that exception provides, among other limitations, that the legal counsel and certified public accountants "shall not disclose the confidential supervisory information for any purpose without the prior written approval of the Board's General Counsel." 12 C.F.R. § 261.20(b)(2)(ii).

is made available, or any other officer, director, employee or agent thereof, may disclose such information without the prior written permission of the Board's General Counsel."); *see also* Ala. Code § 5-3A-3(e). If Regions receives a subpoena requesting CSI, Regions is required to "decline to disclose or to give any testimony with respect to the information, basing such refusal upon the provisions of this regulation." 12 C.F.R. § 261.23(b); *see also* Ala. Code § 5-3A-11. Regions complied with these requirements by withholding CSI from its production. If Regions produces CSI without permission from the Board's General Counsel, Regions could be subject to penalty under 18 U.S.C. § 641. *See also* Ala. Code § 5-3A-11(f).

CONCLUSION

For the reasons stated above, Regions respectfully requests that the Administrative Law Judge deny Respondent's Motion to Compel.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on this the 11th day of December, 2014, I have served the above document via electronic mail in the matter indicated below to ALJ@sec.gov and brunoa@sec.gov and a copy of same upon the following:

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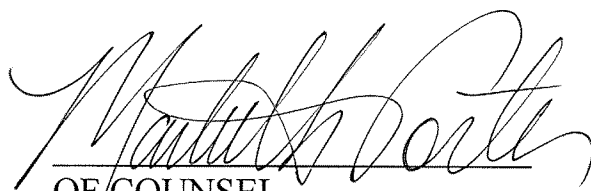
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