

REGULATION
UNITED STATES

Ex-FDIC counsel drawn to Cadwalader's 'strong relationships' with financial markets

Andrew Karp's mix of government service and in-house experience helps bolster the firm's bank regulation offering, an area that is 'pervasive, complex and occasionally opaque'



Cadwalader, Wickersham & Taft's new banking hire Andrew Karp said he was drawn to the firm's involvement in highly sophisticated regulatory work after serving in government roles for close to four years.

Based in New York, Karp joined the firm in March from Federal Deposit Insurance Corporation, a Congress-created independent agency that seeks to stabilise the US financial system.

Karp was senior special counsel and advised the general counsel. Previously, he was deputy general counsel and led the team responsible for advising the agency board and management on receivership and resolution matters.

Before working in government, Karp was US general counsel and chief regulatory officer at Bank of Montreal and managing director and senior managing counsel at BNY Mellon.

Speaking to IFLR about his move, Karp said that Cadwalader's practice involves the most sophisticated bank regulatory work, particularly in the capital markets, credit, and strategic advisory functions. He was as an associate at the firm between 1996 and 1997.

"The prospect of working on those matters, and fond memories of my early stint at the firm, made the choice a natural one."

He continued: “Cadwalader’s strong relationships with banks, their investors and counterparties, and the financial markets more generally, offer it a natural opportunity to broaden and deepen those relationships.”

Karp’s government service and in-house counsel experience bring a unique perspective to Cadwalader’s team.

“Because bank regulation is pervasive, complex and occasionally opaque, an experienced bank regulatory advisory team, particularly one well-acquainted with agency attitudes and approaches, is increasingly important to a complete financial markets practice,” he said.

When asked why he’s transitioning to a private practice role, Karp said that a bank regulatory lawyer should help clients offer appealing products and services and conduct their operations efficiently.

“This needs to be done with proper attention to safety and soundness, while at the same time navigating a complex legal and policy landscape,” he said. “So, the work presents challenging puzzles.

“As much as I have enjoyed managing a legal function, I also like working to solve those business puzzles, and I’m fortunate to have the opportunity to work with Cadwalader’s clients.”

Assessing the US banking regulatory environment, Karp noted a trend towards stricter supervisory expectations and regulatory requirements. For instance, there has been a revision of the banking agencies’ capital rules.

“The **2023 proposal** attracted almost unprecedented public and congressional attention and comment, and some of the agencies have suggested that a substantial

reconsideration of the proposal may be on the way,” he said, predicting more stringent agency approaches to bank resilience and preparation for receivership or other resolution actions.

Elsewhere, competition policy is an area to watch, particularly the Department of Justice’s merger guidelines and the banking agencies’ application and approval policies under the Bank Merger Act and the Bank Holding Company Act.

“The resulting challenge to clients is operating in a dynamic policy and economic environment,” he said. “The challenge for their lawyers is to offer expert, efficient advice.”



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