

111TH CONGRESS }  
*1st Session*

HOUSE OF REPRESENTATIVES

{ REVIEW NO.  
09-2121

**OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF  
REPRESENTATIVES**

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**Report and Findings**

Transmitted to the  
Committee on Standards of Official Conduct  
on August 6, 2009  
and released publicly pursuant to H. Res. 895 of the  
110th Congress as amended



August 2009

**OFFICE OF CONGRESSIONAL ETHICS  
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August 2009

OFFICE OF  
CONGRESSIONAL ETHICS  
BOARD

UNITED STATES HOUSE OF REPRESENTATIVES  
ONE HUNDRED ELEVENTH CONGRESS

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Leo J. Wise, *Chief Counsel & Staff Director*  
Omar Ashmawy, *Investigative Counsel*

# REPORT

## Review No. 09–2121

The Board of the Office of Congressional Ethics (hereafter “the Board”), by a vote of no less than four members, on July 24, 2009, adopted the following report and ordered it to be transmitted to the Committee on Standards of Official Conduct of the United States House of Representatives.

**SUBJECT:** Representative Maxine Waters

**NATURE OF THE ALLEGED VIOLATION:** Representative Maxine Waters made a request in September 2008 to then Treasury Secretary Henry Paulson that Treasury Department officials meet with representatives from the National Bankers Association. A meeting was in fact granted shortly thereafter. However, at the meeting, and in the follow-up activity that occurred through Representative Waters’ Congressional office, the discussion centered on a single bank—OneUnited. Representative Waters’ husband had been a board member of OneUnited from 2004 to 2008 and, at the time of the meeting, was a stock holder of the bank. Representative Waters’ conduct may have violated House Rule 23, clause 3 (by permitting compensation to accrue to her beneficial interest) and House precedent regarding conflicts of interest.

**RECOMMENDATION:** The Board of the Office of Congressional Ethics recommends that the Committee on Standards of Official Conduct further review the above allegations.

**VOTES IN THE AFFIRMATIVE:** 5

**VOTES IN THE NEGATIVE:** 0

**ABSTENTIONS:** 1

**MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT:** Leo Wise, Staff Director & Chief Counsel.

## TABLE OF CONTENTS

INTRODUCTION .....	5
A. Summary of Allegations .....	5
B. Jurisdictional Statement .....	5
C. Procedural History .....	5
D. Summary of Investigative Activity .....	6
II. REPRESENTATIVE WATERS ROLE IN A SEPTEMBER 2008 MEETING BETWEEN THE TREASURY DEPARTMENT AND EXECUTIVES FROM THE NATIONAL BANKERS ASSOCIATION AND ONEUNITED BANK .....	6
A. Applicable Law, Rules and Standards of Conduct .....	6
B. Representative Waters Called Treasury Secretary Paulson and Requested a Meeting at the Request of Mr. Cooper and Mr. Cohee, Corporate Officers of OneUnited Bank. ....	7
C. Further Evidence of OneUnited’s Singular Role in September 9, 2009 Meeting .....	14
D. Representative Waters’ Husband was a Former Board Member of OneUnited and Held Significant Investments in OneUnited. ....	21
E. Representative Waters’ Apparent Recognition of Conflict of Interest .....	22
III. CONCLUSION .....	23
IV. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPOENAS .....	23

## FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 09–2121

On July 24, 2009, the Board of the Office of Congressional Ethics (hereafter “Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (in italics). The Board notes that these findings do not constitute a determination that a violation actually occurred.

### I. INTRODUCTION

#### A. SUMMARY OF ALLEGATIONS

1. There is a substantial reason to believe that Representative Waters’ conduct may have violated House Rule 23, clause 3 and House precedent regarding conflict of interest<sup>1</sup> when she called then Treasury Secretary Henry Paulson and requested that Treasury Department officials meet with representatives from the National Bankers Association. A meeting was in fact granted, however, the discussion at the meeting centered on a single bank—OneUnited. Representative Waters’ husband had been a board member of the bank from 2004 to 2008 and, at the time of the meeting, was a stock holder of the bank.

#### B. JURISDICTIONAL STATEMENT

2. The allegations that were the subject of this review concern Representative Maxine Waters, a Member of the United States House of Representatives from the 35th District of California. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (hereafter “OCE”) directs that, “[n]o review shall be undertaken” by the board of any alleged violation that occurred before the date of adoption of this resolution.”<sup>1A</sup><sup>2</sup> The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, review by the Board is in accordance with the Resolution.

#### C. PROCEDURAL HISTORY

1. A preliminary review in this matter commenced on April 2, 2009, following a written request by at least two members of the OCE Board made on March 26, 2009.

2. At least three members of the Board voted to initiate a second-phase review in this matter on April 24, 2009. The second phase review commenced on May 1, 2009.

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<sup>1</sup>As per Rule 9 of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATIONS 11 (2009), the Board shall refer a matter to the Standards Committee if it determines there is a substantial reason to believe the allegation.

<sup>2</sup>H. Res 895, 110th Cong. §1(e) (2008) (as amended).

3. The Board voted to extend the 45-day second-phase review by an additional 14 days on June 12, 2009, as provided for under the Resolution.

4. The second-phase review ended on June 30, 2009.<sup>3</sup>

5. Representative Waters presented a statement to the Board, under Rule 9(B) of the Office of Congressional Ethics' Rules for the Conduct of Investigations, on July 24, 2009.

6. The Board voted to refer the matter to the Committee on Standards of Official Conduct for further review and adopted these findings on July 24, 2009.

7. The report and findings in this matter were transmitted to the Committee on Standards of Official Conduct on August 6, 2009.

#### D. SUMMARY OF INVESTIGATIVE ACTIVITY

8. The OCE requested documentary and in some cases testimonial information from the following sources:

- (1) OneUnited Bank;
- (2) Mr. Robert Cooper;
- (3) Mr. Kevin Cohee;
- (4) Mr. Jeb Mason;
- (5) The Secretary of the Treasury Department, the former Secretary of the Treasury Department who served from July 2006–January 2009;
- (6) Representative A, Chairman of the Financial Services Committee in the U.S. House of Representatives;
- (7) Representative Waters;
- (8) Representative Waters' Chief of Staff; and
- (9) Representative Waters' Congressional office.

## II. REPRESENTATIVE WATERS ROLE IN A SEPTEMBER 2008 MEETING BETWEEN THE TREASURY DEPARTMENT AND EXECUTIVES FROM THE NATIONAL BANKERS ASSOCIATION AND ONEUNITED BANK

### A. APPLICABLE LAWS, RULES AND STANDARDS OF CONDUCT

#### 9. Code of Conduct:

*Under House Rule 23, clause 1, Members "shall behave at all times in a manner that shall reflect creditably on the House." Under House Rule 23, clause 2, Members "shall adhere to the spirit and the letter of the Rules of the House".*

*Under House Rule 23, clause 3, Members "may not permit compensation to accrue to the beneficial interest of such individual from any source, the receipt of which would occur by virtue of influence improperly exerted from the position of such individual in Congress."*

#### 10. Conflict of Interest:

*The House Ethics Manual discusses at length the precedents guiding Members' actions on matters of personal interest. Quoting Rule III, section 673 of the Rules of the House of Representatives, the manual states, "It is a principle of "immemo-*

<sup>3</sup> Some documents and interviews were requested by the OCE staff prior to June 30, 2009, but not provided to the OCE until after this date.

*rial observance” that a Member should withdraw when a question concerning himself arises; but it has been held that the disqualifying interest must be such as affects the Member directly, and not as one of a class.”<sup>4</sup> Although the manual states that Rule III only applies to a Member voting on the House floor, it makes clear that contacting an executive branch agency entails “a degree of advocacy above and beyond that involved in voting.”<sup>5</sup> As such, the manual cautions that a “Member’s decision on whether to take any such action on a matter that may affect his or her personal financial interest requires added circumspection.” A Member who considers advocating on a matter that may affect her “personal financial interests . . . should first contact the Standards Committee for guidance.”<sup>6</sup>*

11. The rules and precedent cited above clearly enunciate a standard that restricts Members from advocating for a matter in which they have a personal financial interest. Therefore, if Representative Waters advocated for OneUnited while her husband maintained a significant investment in the bank, then she may have violated House Rule 23 and House standards regarding conflicts of interest.

12. Based on the facts collected by the OCE, the Board concludes there is a substantial reason to believe the allegation that is the subject of this review.<sup>7</sup>

## B. REPRESENTATIVE WATERS CALLED TREASURY SECRETARY PAULSON AND REQUESTED A MEETING AT THE REQUEST OF MR. COOPER

13. In an interview with the OCE, Representative Waters stated that she called then Treasury Secretary Henry Paulson at the request of Mr. Robert Cooper and Mr. Kevin Cohee.<sup>8</sup> At the time of the request, Mr. Cooper identified himself as the Chairman-elect of the National Bankers Association<sup>9</sup> (NBA) and also as Vice-President and Senior Counsel for OneUnited. Mr. Cohee was one of the principle founders of OneUnited and the Chairman and CEO of the bank. Representative Waters stated that Mr. Cooper met her outside her office and asked her to contact Secretary Paulson and ask for a meeting.<sup>10</sup> Either that day or the day after, Mr. Cohee came to the Representative’s office and reiterated Mr. Cooper’s request.<sup>11</sup>

<sup>4</sup> COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 234 (2008).

<sup>5</sup> *Id.* at 237.

<sup>6</sup> *Id.*

<sup>7</sup> Rule 9 of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATIONS 11 (2009) provides that “[t]he Board shall refer a matter to the Standards Committee for further review if it determines there is a substantial reason to believe the allegation based on all the information then known to the Board.”

<sup>8</sup> Memorandum of Interview of Representative Maxine Waters, June 25, 2009 (Exhibit 1 at 09-2121-000002).

<sup>9</sup> The National Bankers Association was founded in 1927 as the trade association for the nation’s 103 minority and women-owned banks. The members include banks owned by African-Americans, Native-Americans, American-Indians, East-Indians, Hispanic-Americans, Asian-Americans and Women. MWOB’s are located in 29 states and 2 territories spanning 60 cities and the District of Columbia. (<http://www.nationalbankers.org/profile.asp> (last visited July 14, 2009)).

<sup>10</sup> Memorandum of Interview of Representative Maxine Waters, June 25, 2009 (Exhibit 1 at 09-2121-000002).

<sup>11</sup> *Id.* at 09-2121-000002-000003.



14. Representative Waters asked Mr. Cooper to prepare a document for her so that she could “speak intelligently” about the matter Mr. Cooper wanted to address with the Treasury when she called Secretary Paulson.<sup>12</sup> Mr. Cooper prepared a cover letter and memorandum per Representative Waters’ request. The Board notes that although Mr. Cooper makes reference to his position as Chairman-elect of the NBA in the body of the letter, the letter itself is written on OneUnited letterhead and is signed “Robert Patrick Cooper, Senior Counsel.”<sup>13</sup>



August 22, 2008

**The Honorable Maxine Waters  
U.S. House of Representatives  
2344 Rayburn House Office Building  
Washington, DC 20515**

**Re: Minority Depository Institutions and Fannie Mae/Freddie Mac Equity Investments**

Dear Congresswoman Waters,

Please find the attached memorandum outlining the issues in connection with effect of the recent decline in the stock prices of Fannie Mae and Freddie Mac securities, and the adverse effect on minority depository institutions.

I have also attached an article that sheds some broader light on the situation across the banking industry. As Chairman-Elect of the National Bankers Association, could you kindly provide contacts for me to follow up with at Fannie Mae and Freddie Mac, as well as the U.S Department of the Treasury? As always, we appreciate your assistance in these and other matters of critical importance to minority depository institutions and the communities we serve.

Very truly yours,

A handwritten signature in cursive script that reads "Robert Patrick Cooper".

**Robert Patrick Cooper  
Senior Counsel**

15. The letter and memorandum Mr. Cooper drafted for Representative Waters were followed by a letter from Mr. Cooper to

<sup>12</sup> *Id.*

<sup>13</sup> Letter from Mr. Robert Cooper, Senior Counsel, OneUnited Bank to Representative Maxine Waters, Aug. 22, 2008 (Exhibit 2 at 09-2121-000008).

Secretary Paulson on September 6, 2008, requesting a meeting. Representative Waters and Representative Barney Frank were copied on the letter. On this occasion the letter is on NBA letterhead and Mr. Cooper signs as the Chairman-elect of the NBA.<sup>14</sup>

16. In an interview with the OCE, the Secretary of the Treasury Department expressed a clear recollection of Representative Waters' phone call.<sup>15</sup> He provided the following facts regarding the phone call:

a. Representative Waters expressed concern about how the Treasury Department structured the conservatorship into which Fannie Mae and Freddie Mac had been placed. Representative Waters indicated that it could severely disadvantage minority-owned banks.<sup>16</sup>

b. During the call, Representative Waters indicated that she had "some people in town who were important to her" and they needed a meeting with the Treasury Department.<sup>17</sup>

17. The Secretary of the Treasury Department stated that the week of September 8, 2008 was extraordinarily busy given the state of the burgeoning financial crisis. Given how busy the Treasury Department was that week, the Secretary of the Treasury Department told the OCE that a meeting would not have occurred unless Representative Waters asked for it and he decided to grant it.<sup>18</sup>

18. The meeting was granted and scheduled for September 9, 2008.<sup>19</sup>

19. The Secretary of the Treasury Department was confident that Representative Waters did not mention a specific bank and he was certain that she did not mention any financial interest in OneUnited or any other bank.<sup>20</sup>

20. After the meeting was granted, Representative Waters asked her Chief of Staff to follow up with the Treasury Department about the meeting.<sup>21</sup> The Chief of Staff of Representative Waters then informed Mr. Cooper that the meeting had been granted.<sup>22</sup> According to the Chief of Staff of Representative Waters, he left it to Mr. Cooper to decide who to invite to the meeting.<sup>23</sup>

21. The Chief of Staff of Representative Waters told the OCE that Mr. Cooper told him who would attend the meeting before it occurred.<sup>24</sup> The anticipated attendees included: Mr. Cooper, Mr. Cohee, Mr. George Lyons, counsel for the NBA, and Ms. Terri Williams, President of OneUnited. Of these individuals, only Mr. Lyons had no affiliation with OneUnited. A representative from Senator John Kerry's office, a representative from Representative Barney Frank's office, and the Chief of Staff of Representative Wa-

<sup>14</sup> Letter from Mr. Robert Cooper, Senior Counsel, OneUnited Bank, to Secretary Henry Paulson, Sept. 6, 2008 (Exhibit 3 at 09-2121-000011-000012).

<sup>15</sup> Memorandum of Interview of the Secretary of the Treasury Department, Apr. 20, 2009 (Exhibit 4 at 09-2121-000015).

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> Memorandum of Interview of the Chief of Staff of Representative Waters, June 29, 2009 (Exhibit 5 at 09-2121-000019).

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

ters also attended the meeting. The remaining attendees were invited by the Treasury Department and were from various bank regulatory agencies.<sup>25</sup> Approximately 20 people attended.<sup>26</sup>

22. The Chief of Staff of Representative Waters described the meeting as a high level, “high priority” meeting, citing that at least one Assistant Secretary of the Treasury Department was in attendance.<sup>27</sup> Representative Waters confirmed the significance of the meeting. When asked how often she calls a Cabinet level official such as Secretary Paulson, Representative Water’s replied that “you don’t use your chits for nothing, you call when there is an important issue.”<sup>28</sup>

23. The Chief of Staff of Representative Waters provided the following information to the OCE:

a. The meeting lasted approximately 45 minutes to one hour.<sup>29</sup> Mr. Cooper stated that he represented both the NBA and OneUnited, but stated that at the meeting he was representing the NBA.<sup>30</sup> The meeting took the form of a dialogue with everyone speaking. Mr. Cooper expressed his concerns about the impact that Fannie Mae and Freddie Mac’s conservatorship would have on minority-owned banks.<sup>31</sup> Mr. Cohee expressed similar concerns and used OneUnited as an exemplar of the impact the Treasury Department’s decisions would have on minority-owned banks.<sup>32</sup>

24. Mr. Cooper corroborated these facts, stating that approximately one half of the meeting was used by Treasury Department officials to explain why the government took the actions it did with regard to Freddie Mac and Fannie Mae.<sup>33</sup> He stated that OneUnited was represented at the meeting to illustrate what could happen to minority-owned banks if the Federal government did not assist them. He also stated that OneUnited was the only bank independently represented at the meeting.<sup>34</sup>

25. The Chief of Staff of Representative Waters did not think it was strange that Mr. Cooper invited such a small group of people to attend the meeting despite his knowledge that there are member banks of the NBA in the Washington, DC metro area.<sup>35</sup> The Board notes that OneUnited’s exclusive representation at the meeting is nevertheless cause for concern given the fact that the NBA represents 103 member banks and of those banks two are in Wash-

<sup>25</sup> *Id.*

<sup>26</sup> Memorandum for Record of Mr. Robert Cooper, Apr. 17, 2009 (Exhibit 6 at 09–2121–000023). The Board notes that this memorandum resulted from a phone conversation with Mr. Cooper during the initial phone call requesting his cooperation and the cooperation of Mr. Cohee and OneUnited. All requests for additional opportunities to interview Mr. Cooper and Mr. Cohee have been denied.

<sup>27</sup> Memorandum of Interview of the Chief of Staff of Representative Waters, June 29, 2009 (Exhibit 5 at 09–2121–000019).

<sup>28</sup> Memorandum of Interview of Representative Maxine Waters, June 25, 2009 (Exhibit 1 at 09–2121–000005).

<sup>29</sup> Memorandum of Interview of the Chief of Staff of Representative Waters, June 29, 2009 (Exhibit 5 at 09–2121–000019).

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 09–2121–000020.

<sup>33</sup> Memorandum for Record of Mr. Robert Cooper, Apr. 17, 2009 (Exhibit 6 at 09–2121–000023)

<sup>34</sup> *Id.*

<sup>35</sup> Memorandum of Interview of the Chief of Staff of Representative Waters, June 29, 2009 (Exhibit 5 at 09–2121–000019)

ington, DC—Industrial Bank, N.A. and Independence Federal Savings Bank—and one is in Bethesda, MD—Urban Trust Bank.<sup>36</sup>

26. When interviewed by the OCE the Chief of Staff of Representative Waters at first did not remember any specific potential remedies discussed, but he then stated that one potential remedy discussed at the meeting was the transfer of funds from the Treasury to the affected banks.<sup>37</sup>

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<sup>36</sup> <http://www.nationalbankers.org/memberbanks.asp> (last visited June 14, 2009).

<sup>37</sup> Memorandum of Interview of the Chief of Staff of Representative Waters, June 29, 2009 (Exhibit 5 at 09-2121-000020).

27. The day after the meeting, September 10, 2008, Mr. Cooper sent a letter to the Acting Under Secretary, Anthony Ryan, following up on the discussion from the day before. In the letter Mr. Cooper highlighted Mr. Cooper's and Mr. Cohee's request that the Treasury return capital to the affected banks including, presumably, OneUnited. The Board draws particular attention to the language in the first paragraph stating that at the meeting "we emphasized that Treasury should provide . . . protection on an urgent basis to avert possible failure of one if not several of our institutions . . ." (Emphasis added). As OneUnited was the only bank referenced in the meeting, the Board infers that the "one" bank referenced in the letter likely was OneUnited. The Board also takes note of language that indicates a request was made for a transfer of funds from the Treasury to the affected bank, including the specific request that Treasury would redeem the GSE preferred stock . . ." and the characterization of this redemption as ". . . not significant to the government in absolute dollar terms."<sup>38</sup>



**CONFIDENTIAL**

September 10, 2008

The Honorable Anthony W. Ryan  
Acting Under Secretary for Financial Institutions Policy  
United States Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

**Re: National Bankers Association – Minority Bank Capital Restoration Program**

Dear Mr. Ryan:

As a follow-up to our meeting yesterday, we sincerely appreciated the opportunity to discuss with you, Senior Treasury representatives and bank regulatory agency officials the impact of the recent conservatorship of Fannie Mae and Freddie Mac (collectively, the "GSEs") on minority depository institutions ("MDIs"). We emphasized that Treasury should provide appropriate protection on an urgent basis to avert possible failure of one if not several of our institutions, a situation that would undoubtedly reverberate through the entire minority banking sector, causing irreparable harm to the inner-city communities we serve. Unlike with a typical "majority" bank, no bank will

<sup>38</sup> Letter from Mr. Robert Cooper, Chairman Elect, National Bankers Association, to Mr. Anthony Ryan, Acting Under Secretary for Financial Institutions Policy, Sept. 10, 2008 (Exhibit 7 at 09-2121-000024).

As a result of the discussions at the meeting and subsequently, we have refined our proposal consistent with our immediate need to protect minority banks from failure or significant adverse impact due to the decline in the GSE preferred stock. Accordingly, we would propose the following Minority Bank Capital Restoration Program:

**As a part of the resolution to the takeover of the GSEs, Treasury would redeem the GSE preferred stock held by an MDI in an amount equal to the lesser of: (1) the amount the MDI paid for the preferred stock; or (2) the amount necessary to return the MDI back to "well-capitalized" status (as defined in the relevant Prompt Corrective Action rules).**

Again, we are not seeking a windfall from this resolution. We note that this proposal very well may result in an MDI losing money on its GSE preferred, which is consistent with Treasury's stated goal to protect taxpayers. We also reiterate our position that there is no less reason to protect minority banks that invested in GSEs than the reasons for the resolution you are developing for the GSEs themselves. Both serve critical social and economic roles in the economic and social framework of their communities.

To be clear, however, while the return of this capital is very important to the continued health of minority banks, given their size it is not significant to the government in

absolute dollar terms, let alone relative to the anticipated expenditure with respect to the GSEs. Such a result will preserve the critical service provided by minority banks, and be consistent with the broader and more significant relief provided to the GSEs and the more general Congressional and other commitments to preserve minority banks in FIRREA and elsewhere.

It is also worth mentioning that time is of the essence and we continue to be concerned that the relief we are seeking, or any appropriate derivative thereof, may not be granted in time to avert an impending crisis. Therefore, we respectfully request and thank you in advance for acting on our request on an urgent basis. To put it bluntly, we are seeking Treasury action on this proposal this week.

If you have any questions, please feel free to contact me at (617) 457-4415. In any event, I hereby request ongoing standing calls with you or a member of your Senior staff to discuss progress. Please call me to discuss the appropriate member of your staff to engage in those discussions.

We hereby request confidential treatment of this letter to the fullest extent permitted by your regulator.

Sincerely,



Robert Patrick Cooper  
Chairman-Elect

28. Following the meeting, Representative Waters received a call from Secretary Paulson.<sup>39</sup> During the call Secretary Paulson stated that he had expected more members of the NBA to attend the

<sup>39</sup> Memorandum of Interview of Representative Maxine Waters, June 25, 2009 (Exhibit 1 at 09-2121-000003).

meeting.<sup>40</sup> He told Representative Waters that he made the meeting available to everyone and that he expected a larger turnout.<sup>41</sup>

### C. FURTHER EVIDENCE OF ONEUNITED'S SINGULAR ROLE IN SEPTEMBER 9, 2009 MEETING

29. Further evidence of what appears to be OneUnited's singular role in the September 9, 2008 meeting is the fact that emails provided by Representative Waters' office show Mr. Cohee, the bank's CEO, inviting individuals to the meeting. This contradicts Representative Waters and the Chief of Staff to Representative Waters' comments that the NBA decided who would attend the meeting with the Treasury Department because Mr. Cohee was not an officer of the NBA.<sup>42</sup>

**Moore, Mikael**

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**From:** Phillips, John (Small-Business) (John\_Phillips@small-bus.senate.gov)  
**Sent:** Monday, September 08, 2008 6:59 PM  
**To:** KCohee@oneunited.com; Moore, Mikael  
**Subject:** Treasury meeting tomorrow.

Kevin, I am happy to join you at the meeting. My direct line at work is [REDACTED]. My cell phone number is [REDACTED]. My social security # is [REDACTED]. And my date of birth is [REDACTED]. Please let me know if you need any additional information. Do you know what room the meeting is being held? Thanks. Jcp

Sent from my BlackBerry Wireless Handheld

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**From:** Kevin Cohee  
**To:** Phillips, John (Small-Business); mikael.moore@mail.hiuse.gov  
**Sent:** Mon Sep 08 18:43:28 2008  
**Subject:** Re: Kevin, please forward me the contact information for barney's staff. Thanks. Jcp

Thank you for your help on this critical issue. We would appreciate your participation at the meeting at 11am at treasury. Could you please forward your number so Congresswoman's Waters office can take care of any security issues. I will land in dc at 830.

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> Email from Mr. Kevin Cohee to John Phillips and Mikael Moore, Sept. 8, 2008 (Exhibit 8 at 09-2121-000028).

30. The September 10, 2008 letter, cited above, from Mr. Cooper to Mr. Ryan on NBA stationary, appears to have first been sent to Mr. Mikael Moore, a member of Representative Waters' staff, by Mr. Phillip Perry, the Department Administrator for Legal and Business Development for OneUnited.<sup>43</sup>

**From:** Phillip Perry [mailto:████████@OneUnited.com]  
**Sent:** Wednesday, September 10, 2008 8:46 PM  
**To:** Moore, Mikael  
**Cc:** Bob Cooper  
**Subject:** NBA Letter to the Treasury

Dear Mikael,

Attached please find the National Bankers Association's letter to the U.S. Dept. of the Treasury. Please don't hesitate to contact me if you have any questions or if I can be of further assistance. Thank you.

**Phillip R. Perry**  
Department Administrator  
Legal and Business Development  
**OneUnited Bank**  
100 Franklin Street, Suite 600  
Boston, MA 02110  
p: 617.457.████████  
f: 617.542.1797  
bb: ██████████  
████████@oneunited.com  
[www.oneunited.com](http://www.oneunited.com)

<sup>43</sup> Email from Mr. Phillip Perry to Mikael Moore, Sept. 10, 2008 (Exhibit 9 at 09-2121-000030).



31. Therefore, even though the letter on its face appears to be from Mr. Cooper in the role of Chairman-elect of the NBA, it appears that it was, at a minimum, routed through the Legal and Business Development department of OneUnited.

32. Moore then forwarded the September 10th letter to Erika Jeffers, a staff person on the Committee on Financial Services.<sup>44</sup>

**Moore, Mikael**

**From:** Moore, Mikael  
**Sent:** Thursday, September 11, 2008 12:45 PM  
**To:** Jeffers, Erika  
**Subject:** FW: NBA Letter to the Treasury  
**Attachments:** NBA Treasury Letter (091008).pdf

**Mikael Moore**  
**Chief Of Staff**  
**Congresswoman Maxine Waters (CA-35)**  
**o: 202-225-████████**  
**c. ██████████**  
**f: 202-225-7854**

<sup>44</sup> Email from Mikael Moore to Erika Jeffers, Sept. 11, 2008 (Exhibit 10 at 09-2121-000034).

33. In another email, Mr. Cooper sent a message to Mr. Moore regarding a “back-up strategy in case Treasury does not grant the specific relief we are requesting within the next couple of days.” The email was sent ten days after the meeting with the Treasury Department. Mr. Cooper sent the email from his OneUnited email account, he signed it as “Senior Vice President/Senior Counsel,” and he copied Mr. Cohee on the email.<sup>45</sup>

**Moore, Mikael**

**From:** Bob Cooper ([REDACTED]@OneUnited.com)  
**Sent:** Friday, September 19, 2008 12:38 PM  
**To:** Moore, Mikael  
**Cc:** Melton, Noelle; Kevin Cohee  
**Subject:** FW: MDI Preferred Stock Redemption Language

Hi Mikael:

Here are our thoughts on an alternative back-up strategy in case Treasury does not grant the specific relief that we are requesting within the next couple of days. We would appreciate your thoughts, comments, etc. on both the strategy and the particular language. We have had an initial conversation with Mike Capuano's office and they are supportive of this approach, though they stressed that the particular language around the affected group would be key. It is a legislative solution and with that we realize that it may be fraught with the challenges and uncertainty that comes with trying to pass legislation. Could you kindly share with Erika. We will follow up with her.

**Robert Patrick Cooper**  
 Senior Vice President / Senior Counsel  
 OneUnited Bank  
 100 Franklin Street, Suite 600  
 Boston, MA 02110

**p - 617.457.[REDACTED]**  
**c - [REDACTED]**  
**f - 617.507.8925**  
**e - [REDACTED]@oneunited.com**

<sup>45</sup> Email from Mr. Robert Cooper to Mikael Moore, Sept. 19, 2008 (Exhibit 11 at 09–2121–000036–000037).

34. Three days later, on September 22, 2008, Mr. Cohee, not Mr. Cooper, sent Mr. Moore an email regarding "Bailout Legislation."<sup>46</sup> The email appears to have proposed legislation attached.

**Moore, Mikael**

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**From:** Kevin Cohee [REDACTED]@OneUnited.com]  
**Sent:** Monday, September 22, 2008 9:01 AM  
**To:** Moore, Mikael  
**Subject:** Fw: Bailout Legislation  
**Attachments:** five percent language.doc

Could you please print this for our meeting.

-----Original Message-----  
**From:** [REDACTED]@aol.com <[REDACTED]@aol.com>  
**To:** [REDACTED]@VERIZON.NET <[REDACTED]@VERIZON.NET>  
**CC:** Kevin Cohee; Teri Williams  
**Sent:** Mon Sep 22 08:04:45 2008  
**Subject:** Re: Bailout Legislation

P <<five percent language.doc>> S to previous email.

Attached and pasted below is a draft re Robert Primus's request. I've reformatted it slightly so that it could be banking committee bill language as opposed to aprops language, but Counsel will vet it in any event

35. The next day Mr. Cooper sent Mr. Moore an email with the subject line: "Treasury Request Appendix Final.xls" to which a spreadsheet is attached showing OneUnited's investments in Fannie Mae and Freddie Mac. According to the email chain, the message and the attached spreadsheet was first sent to Mr. Cooper by Ms. Terri Williams, the President of OneUnited and an attendee at the September 9, 2008 meeting.<sup>47</sup>

**Moore, Mikael**

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**From:** Bob Cooper [REDACTED]@OneUnited.com]  
**Sent:** Tuesday, September 23, 2008 10:56 AM  
**To:** Moore, Mikael  
**Subject:** Fw: Treasury Request Appendix Final.xls  
**Attachments:** Treasury Request Appendix Final.xls

-----Original Message-----  
**From:** Teri Williams  
**To:** 'makael.moore@mail.house.gov' <makael.moore@mail.house.gov>  
**CC:** Bob Cooper  
**Sent:** Tue Sep 23 10:45:59 2008  
**Subject:** Treasury Request Appendix Final.xls

<<Treasury Request Appendix Final.xls>> --

<sup>46</sup> Email from Mr. Kevin Cohee to Mikael Moore, Sept. 22, 2008 (Exhibit 12 at 09-2121-000039).

<sup>47</sup> Email from Mr. Robert Cooper to Mikael Moore, Sept. 23, 2008 (Exhibit 13 at 09-2121-000041).

36. The spreadsheet included a request for \$41,993,403.58 from the Treasury in exchange for \$51,250,000.00 in Fannie Mae and Freddie Mac stock held by OneUnited. Based on the earlier communications between Mr. Cooper and the Treasury Department this exchange was essential to OneUnited's survival.<sup>48</sup>

<b>Request from Treasury in exchange for \$51,250,000 in GSE Preferred Stock (par value)</b>	<b>\$ 41,993,403.58</b>
<small>(This amount is based on the \$35,000,000 required to be well capitalized and the negative \$6,993,403.58 Tier 1 Capital.)</small>	

37. Two days later Mr. Cooper sent Mr. Moore an email, again from his OneUnited account, containing only a subject line: "Any update?"<sup>49</sup>

<p><b>Moore, Mikael</b></p> <p>.....</p> <p><b>From:</b> Bob Cooper ([REDACTED]@OneUnited.com)</p> <p><b>Sent:</b> Thursday, September 25, 2008 9:24 AM</p> <p><b>To:</b> Moore, Mikael</p> <p><b>Subject:</b> Any update?</p>
--

<sup>48</sup> *Id.* at 09-2121-000042.

<sup>49</sup> Email from Mr. Robert Cooper to Mikael Moore, Sept. 25, 2008 (Exhibit 14 at 09-2121-000043).

38. Further conflating Mr. Cooper and OneUnited's role in the September 9, 2008 meeting, and the communications and requests following the meeting, is an October 29, 2008 letter to Mr. Neal Kashkari, the Assistant Secretary for Financial Stability. The letter is written on behalf of the NBA and requests that the Treasury Department create a special initiative modeled on the Capital Purchase Program of the TARP for minority-owned banks. The letter was signed by two individuals—Mr. Michael Grant and Mr. Floyd Weekes. Mr. Weekes' signature block identifies him as "Chairman, National Bankers Association."<sup>50</sup>

**October 29, 2008**

**The Honorable Neal Kashkari  
Assistant Secretary for Financial Stability  
Office of Financial Stability  
U.S. Department of Treasury  
1500 Pennsylvania Avenue NW  
Washington DC 20005**

**09-2121\_000046**

**Dear Assistant Secretary Kashkari:**

**On behalf of the membership of the National Bankers Association (NBA), we like to commend the U.S. Department of Treasury (UST) for its efforts to ensure the stability of the U.S. and global financial markets. We believe the recently launched Capital Purchase Program of the TARP is an important step toward stabilizing financial markets in our country. In this context, the NBA respectfully urges the UST to create a special initiative modeled on the Capital Purchase Program targeted to banks, thrifts and their holding companies that are considered Minority Depository Institutions (MDIs) under section 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) or as designated as MDIs by the Federal Deposit Insurance Corporation (FDIC).**

**We look forward to working with UST to help strengthen our nation's financial system. If you have any questions, please feel free to contact the NBA: President, Michael Grant at (202) 588-████; Chairman Floyd Weekes at (615) 329-████.**

**Sincerely,**

**Floyd Weekes  
Chairman, National Bankers Association**

**Michael A. Grant, J.D.  
President, National Bankers Association**

39. This letter shows Mr. Weekes speaking on behalf of the NBA and identifying himself as the Chairman of the organization as late as October 29, 2008. This fact raises several questions. First, why was Mr. Cooper representing the NBA at the September 9, 2009 meeting if Mr. Weekes was still the acting Chairman. If Mr. Cooper was in fact the incoming Chairman—i.e., the Chairman-elect—in September 2008 and was authorized to speak on behalf of the NBA in September, why was he not continuing to speak on behalf of the NBA in October? Did Mr. Cooper attend the September 2009 meeting to speak on behalf of the NBA or to use the NBA's name to

<sup>50</sup> Letter from Mr. Floyd Weekes, Chairman, National Bankers Association and Mr. Michael Grant, President, National Bankers Association to Neal Kashkari, Assistant Secretary for Financial Stability, Oct. 29, 2008 (Exhibit 15 at 09-2121-000045).

support OneUnited's request for a bailout? The Board again notes that the OCE made multiple requests to interview Mr. Cooper and Mr. Cohee. Mr. Cooper and Mr. Cohee refused the OCE's requests. The website for the NBA currently lists Mr. Cooper as the Chairman for the "2008 Board of Directors" and Mr. Weekes as the "Immediate-Past Chairman." However, this fact does little to answer the questions raised by this Review.

40. Pursuant to H. Res 895 1(c)(2)(C)(i)(II)(bb) and Rule 6 of the Office of Congressional Ethics Rules for the Conduct of Investigations, the Board infers that Mr. Cooper and Mr. Cohee's refusal to cooperate, taken together with the facts above, indicate that Mr. Cooper may have used his position as the Chairman-elect of the NBA to place OneUnited in a preferential position with the Treasury Department following the creation of Fannie Mae and Freddie Mac's conservatorship.

#### D. REPRESENTATIVE WATERS' HUSBAND WAS A FORMER BOARD MEMBER OF ONEUNITED AND HELD SIGNIFICANT INVESTMENTS IN ONEUNITED.

41. At the time of their request, Representative Waters knew Mr. Cooper and Mr. Cohee from previous interactions. Representative Waters indicated that Mr. Cohee was a friend and that he had held a fundraiser at his home to benefit her campaign on at least one occasion. She described her relationship with Mr. Cooper as professional.<sup>51</sup> She was aware of Mr. Cooper's <sup>52</sup> and Mr. Cohee's <sup>53</sup> affiliation with OneUnited.

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<sup>51</sup> Memorandum of Interview of Representative Maxine Waters, June 25, 2009 (Exhibit 1 at 09-2121-000003-000004).

<sup>52</sup> *Id.* at 09-2121-000005.

<sup>53</sup> *Id.* at 09-2121-000003.

42. Representative Waters' husband had been a member of the board of directors of OneUnited for several years prior until his resignation on April 21, 2008.<sup>54</sup> According to her 2008 financial disclosure form, Representative Waters' husband had two investments in OneUnited valued between \$500,000 and \$1 million.<sup>55</sup>

SCHEDULE III — ASSETS AND "UNEARNED" INCOME													Name MAXINE WATERS		Page											
BLOCK A Asset and/or Income Source	BLOCK B Value of Asset												BLOCK C Type of Income		BLOCK D Amount of Income											
	A	B	C	D	E	F	G	H	I	J	K	L	None	None	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	
SP: Mega Corp. Stock					X																					
JT: Simon & Schuster																										
JT: 1st Bank of Paducah, KY accounts						X																				
SP: ONEUNITED BANK							X																			
CONGRESSIONAL FED. CRED. UNION				X													X									
SP: AMERICAN GOLF JT. VENTURE						X																				
SP: TRACT UNIT 3557, LOT 96, CA				X																						
SP: 2201 KIRK ST., HOUSTON, TX				X																						
SP: ONEUNITED BANK							X																			

43. While Representative Waters did not recall when or how her husband became a board member of OneUnited, she was aware that he had once sat as a member of the board. She was also aware of her husband's investments in the bank.

**E. REPRESENTATIVE WATERS' APPARENT RECOGNITION OF CONFLICT OF INTEREST**

44. In September 2008, Representative Waters Told Representative A There Was A Problem With Oneunited, But That She Didn't Know What To Do About It Because "Sydney's Been On The Board."<sup>56</sup>

45. Representative A recalled that the problem Representative Waters referenced was the fact that OneUnited has purchased more preferred shares of Fannie Mae and Freddie Mac than any other bank. Representative A described the problem OneUnited had as an exaggerated version of the problem every other bank had—OneUnited had overbought preferred shares in Fannie Mae

<sup>54</sup> Letter from Mr. Sydney Williams to Mr. Kevin Cohee, Apr. 21, 2008 (Exhibit 16 at 09-2121-000049).  
<sup>55</sup> United States House of Representatives Financial Disclosure Statement for Representative Maxine Waters, May 15, 2008 (Exhibit 17 at 09-2121-000051).  
<sup>56</sup> Memorandum of Interview of Representative A, July 8, 2009 (Exhibit 18 at 09-2121-000053).

and Freddie Mac and was therefore at a greater risk of collapse than any other bank holding preferred shares of Fannie Mae and Freddie Mac.<sup>57</sup>

46. Representative Waters told Representative A that she was in a predicament because her husband had been involved in the bank, but “OneUnited people” were coming to her for help. According to Representative A, she knew she should say no, but it bothered her. It was clear to Representative A that this was a “conflict of interest problem.”<sup>58</sup>

47. Representative A’s advice to Representative Waters was to “stay out if it”—OneUnited was a Boston bank and he had a commitment to minority banks. He would address the problem. Representative A then asked his staff to take over the OneUnited issue from Representative Waters.<sup>59</sup>

48. Representative A had at least two conversations with Representative Waters in which he told her to not get involved in the OneUnited matter. The conversations likely occurred in September 2008, but he could not recall any specific dates.<sup>60</sup>

### III. CONCLUSION

49. For these reasons, the Board recommends that the Standards Committee further review the above described allegations concerning Representative Waters’ meeting request.

### IV. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATIONS FOR THE ISSUANCE OF SUBPOENAS

50. The OCE was unable to obtain information from Mr. Robert Cooper, Mr. Kevin Cohee and OneUnited. The OCE made multiple requests for interviews with both individuals, but despite repeated assurances that cooperation was forthcoming, all requests were denied. On June 29, 2009, Mr. Cooper asked for a written request for an interview detailing the subjects the OCE wished to address. The OCE provided a written request the same day. The request was denied.

51. The Board recommends the issuance of subpoenas to OneUnited bank, Mr. Robert Cooper, and Mr. Kevin Cohee.

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<sup>57</sup> *Id.* at 09-2121—000054.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*



# **EXHIBIT 1**

## CONFIDENTIAL

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Representative Maxine Waters  
Review #: 09-2121  
Date: June 25, 2009  
Location: 2344 Rayburn HOB  
Time: 9:00 am  
Participants: Omar Ashmawy  
Elizabeth Horton  
Stan Brand  
Andrew Herman  
Mikael Moore

Summary: Representative Maxine Waters is a Member of the United States House of Representatives and represents the Thirty-Fifth District of California. She was interviewed pursuant to Review 09-2121. We requested an interview with Representative Waters and she consented to an interview. Representative Waters made the following statements in response to our questioning:

1. Representative Waters was given an 18 U.S.C. § 1001 warning, and signed a written acknowledgement.
2. Rep. Waters recalled calling Secretary Paulson and asking if he would meet with the National Bankers Association (“NBA”). The Secretary agreed.
3. She recalled the President of the NBA (Mr. Cooper) met her outside of her office. He was alarmed that the GSEs (government sponsored enterprise) had been taken over by the government and he was worried about the effect on the NBA banks. He asked that she contact Paulson and ask for a meeting.
4. She told Mr. Cooper to get something to her (talking points) so she could talk intelligently to the Secretary.

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

5. Mr. Cooper was the Chairman-elect at the time, someone else might have been outgoing.
6. Kevin Cohee is one of the principals or founders of One United. He may have been President later on, she was not sure.
7. Mr. Cohee also requested the meeting.
8. She called the Secretary and arranged the meeting.
9. Mr. Cooper asked for the meeting either the day before or after Mr. Cohee was in her office. Both men were alarmed.
10. She called Secretary Paulson and told him that the minority bankers were alarmed that the takeover of the GSEs would harm them. The Secretary said that he would set up a meeting for the bankers.
11. She did not know that Mr. Cooper or Mr. Cohee were in DC prior to seeing them in her office.
12. She did not attend the meeting. The meeting was not for her, she assumed the association would determine who would attend the meeting.
13. She heard that others attended the meeting.
14. She did not recall meeting with anyone else about the issue.
15. No one else asked her to set up a meeting.
16. Did not recall that anyone from her staff attended the meeting; however, Mr. Moore indicated that he did attend the meeting.
17. She recalled a conversation with Secretary Paulson that occurred after the meeting. She recalled that the Secretary stated that he had expected more members of the NBA to attend the meeting. He made the meeting available to anyone and he expected a larger turnout.
18. She considers Mr. Cohee a friend, she has known him for some time – 7,8, or 9 years.
19. She and Mr. Cohee have a professional and social relationship.
20. Her husband served on the Board of Directors of One United which created a certain relationship with Mr. Cohee. They saw each other for dinner and she has been to his

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home for the company Christmas party. She also was at his home for a fundraiser for her.

21. Her relationship with Mr. Cooper is basically professional.
22. She would not call him a friend, they are professional.
23. One United Bank is one of the banks she advocates for – there is something in the law that relates to the stability of minority banks because they are fragile. The FDIC and Treasury should be of assistance to such banks – a stabilizer.
24. She was invested with the bank for a short period of time. She put (deposited) investment income in the bank for a short period of time. This would have been 5 years ago, the timing would be in her financial disclosure.
25. Her interaction with NBA depends, certainly around the national conference or when representatives are in DC. About 10-15 will meet with her to talk about issues.
26. She has been contacted by NBA, but individual banks contact her all of the time. She also bumps into members when she is traveling to places such as New Orleans.
27. She does not recall contacting any other agency but recalls there have been issues from time to time where she has contacted the FDIC on behalf of women’s banks regarding large holdings of sub-prime loans.
28. She was also contacted when there was an attempted takeover of a DC bank. And a New Orleans banker contacted her after Katrina.
29. She did not recall any other advocacy efforts on behalf of One United other than when she wrote a letter in support of One United when they were trying to acquire a bank in California, which occurred some time ago.
30. When asked why she did not attend the meeting with Treasury, Rep. Waters stated, “[w]hy should I, I don’t think Members normally do that. They (NBA) are their own best advocates, let them tell their own story, that’s how I see it”
31. Her husband was on the board of the bank.
32. She was aware of her husband’s investments in OneUnited and her investments are disclosed in her financial disclosure.

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33. She did not recall when or how her husband became a board member but the paper indicated that it was 2-3 years after the bank was started. "He takes care of his business and I take care of mine."
34. With respect to her conversation with Rep. Barney Frank, she stated that conversations with Rep. Frank are not sit down conversations. They are "drive-bys" where things are said in passing. You have drive-bys with Barney Frank 10 times a day. She did not recall any specifics about any conversation.
35. She called Secretary Paulson any number of times, she called about TARP issues, minority investment bankers, money managers and toxic assets. She is not good at remembering months and dates but she talked to Treasury at the time that they were all purchasing assets. They talked about the management of assets.
36. She has also spoken with Ruben, Summers, and Geitner. She may also have spoken with O'Neil when he came to the hill to talk to the committee.
37. She also calls the Secretary of HUD and she has talked with the chairs of the GSEs.
38. When asked about other conversations with Sec. Paulson, Rep. Waters stated that "you don't use your chits for nothing, you call when there is an important issue."
39. She also talks with the Secretary from time to time when he is on the hill for committee meetings.
40. She did not recall Mr. Cooper or Mr. Cohee asking her to intervene with the Treasury department in any other way.
41. She did recall a large meeting with asset managers and bankers where Geitner and other Treasury officials were present. She has also held 3 meetings where FDIC officials were involved. The meetings were held in Rayburn and Cannon.
42. When asked if she had called the Secretary on behalf of anyone else she asked Mr. Moore and then stated that she guessed that she had.
43. She was not sure if she had arranged any meetings for any other banks. She may have for an association of 30-50 banks.
44. She stated that she knew of Mr. Cooper through his testimony before the committee on FIRREA matters.

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

- 45. She was aware that he worked for One United Bank and that he was an officer of the bank, either the President or CEO.
- 46. She was also aware of his position at the time she called Sec. Paulson to set up the meeting.

Elizabeth Horton  
Investigative Counsel



## **EXHIBIT 2**





August 22, 2008

The Honorable Maxine Waters  
U.S. House of Representatives  
2344 Rayburn House Office Building  
Washington, DC 20515

**Re: Minority Depository Institutions and Fannie Mae/Freddie Mac Equity Investments**

Dear Congresswoman Waters,

Please find the attached memorandum outlining the issues in connection with effect of the recent decline in the stock prices of Fannie Mae and Freddie Mac securities, and the adverse effect on minority depository institutions.

I have also attached an article that sheds some broader light on the situation across the banking industry. As Chairman-Elect of the National Bankers Association, could you kindly provide contacts for me to follow up with at Fannie Mae and Freddie Mac, as well as the U.S Department of the Treasury? As always, we appreciate your assistance in these and other matters of critical importance to minority depository institutions and the communities we serve.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Robert Patrick Cooper'.

Robert Patrick Cooper  
Senior Counsel

RPC:prp  
Encs.

09-2121\_000008

**The Impact of the Decline in Fannie Mae and Freddie Mac Preferred Stock Price on  
Community Development Financial Institutions' and Minority Banks' Capital**

**Issue:**

The recent decline in the value of the preferred stock of Government-Sponsored Entities ("GSEs") creates significant and possibly fatal losses for minority banks, Community Development Financial Institutions ("CDFIs") and not-for-profit organizations.

**Background:**

Certain community financial institutions, such as CDFIs and minority banks, as well as a host of not-for-profit organizations, invest in GSE securities, including bonds and preferred stock, as a function of their community development charters and other community development and support mandates. The U.S. government has committed to providing support, ensuring the viability and growth of these types of entities (see Financial Institutions Reform and Recovery Act of 1989, Section 308 and the Riegle Community Development and Regulatory Improvement Act of 1994). These community financial institutions invest their funds in GSEs as a way to support affordable housing initiatives until they can place these funds into other community development activities. These community financial institutions are neither speculators nor large institutions capable of replacing large amounts of lost capital. In a reciprocal fashion, GSEs have supported CDFIs and minority banks through equity investments and deposits and have served as a clearing house for community lending.

**Critical Inflection Point:**

The U.S. Treasury's attempt to reassure investor confidence by its readiness and willingness to invest capital into GSEs has unexpectedly resulted in declining values of GSE securities. Specifically, investors have been unwilling to purchase GSE equity securities because of the uncertainty as to the potential affects a government investment might have on the value of existing securities. Consequently, the preferred stock of the GSEs has dropped to the point where financial institutions that are required to mark the securities to market to calculate regulatory capital on their third quarter call reports may need to report significant "paper" losses if the value of these securities does not recover by September 30, 2008. This deterioration of regulatory capital could cause severe damage and possible failures across the banking industry, and principally within the minority and CDFI banking sector.

**Recommended Solutions:**

1. Treasury completes plan to reassure investors in GSE securities by affirmatively stating that it is going to purchase preferred stock on essentially the same terms and conditions of existing preferred stock, prior to the end of the third quarter. This move would help shore up the value of all GSE securities, helping the government, GSEs and investors.
2. Avoid damage to minority banks, CDFIs and not-for-profits by converting their investments into the same securities the government purchases from GSEs, or simply redeeming their investments as part of a government investment plan in GSEs, and otherwise offer protection to these institutions consistent with the government's obligations under FIRREA.

## **EXHIBIT 3**



September 6, 2008

The Honorable Henry M. Paulson, Jr.  
Secretary  
United States Department of the Treasury  
Office of the Treasurer  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

**Re: National Bankers Association – Comments Regarding Impact on Minority Banks in Connection with Conservatorship of Fannie Mae and Freddie Mac**

Dear Mr. Secretary:

I am writing this letter on behalf of the National Bankers Association ("NBA"), the largest and oldest trade organization in the United States representing minority and women-owned banks and thrifts, founded in 1927, to among other roles, serve as an advocate on legislative and regulatory matters.

We are writing this letter urgently regarding your pending resolution of the situation regarding Fannie Mae and Freddie Mac (collectively, the "GSEs"). We want to ensure that the interests of minority banks are properly protected in any such resolution. To be clear, we are not asking for minority banks to receive any windfall from this resolution. Rather, we simply are seeking a return of the money we invested in the GSEs. In other words, each minority bank would demonstrate the amount of funds it invested into the preferred stock of the GSEs, and be assured of receiving that amount in return as part of any resolution you develop. At a bare minimum, we urge the GSE resolution to include a provision that any minority bank that will fail due to its investment in GSE preferred stock would simply have its investment returned.

We understand why you are acting to preserve the GSEs. The GSEs serve an important role in the fabric of US home ownership, making home ownership more available to the citizenry of the United States. These social benefits, as well as the economic calamity that would follow were the GSEs to collapse, more than warrant government action on their behalf.

We are writing this letter to re-emphasize, as FIRREA has made clear statutorily since 1989, the important role of minority banks in the urban inner city communities of America. Unlike majority banks, which principally focus on profit, the express mission of minority banks is to promote these underbanked, underprivileged communities, and serve as a rare beacon of hope to their residents. Accordingly, just as the GSEs serve

1513 P Street, NW., Washington, D. C. 20005  
(202) 588-5432 Fax (202) 588-5443

09-2121\_000011

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critical economic and social roles in America, minority banks have no less importance to the communities they serve – communities that are wholly neglected by the vast majority of financial institutions. Indeed, in part due to the consistency of their missions, minority banks have acquired substantial interests in the preferred stock of the GSEs.

Accordingly, we submit that there is no less reason to protect minority banks that invest in GSEs than the reasons for the resolution you are developing for the GSEs themselves. Both serve critical social and economic roles in their communities. We would therefore strongly urge that any resolution, in addition to providing needed capital to the GSEs, also provide for minority banks to be protected with respect to those preferred stock interests. As stated above, each minority bank would demonstrate the amount of funds it invested into the preferred stock of the GSEs, and be assured of receiving that amount in return as part of any resolution you develop. To ensure that no inappropriate consequences result with the bank regulatory agencies in the interim, we also would ask that the resolution make clear that the regulators treat this right of repayment as equivalent to tier one capital during any interim period prior to the receipt of funds by the minority banks.

We appreciate this action on our behalf. If you do not adopt this request, many minority banks will fail along with the GSEs. In such a circumstance, we submit that your resolution would not have fulfilled its purpose. As while it will have protected the housing and social environment of the United States at a macro level, it will not have protected the urban inner city communities uniquely served by minority banks. Then, once again, the urban poor and underbanked would have received a lesser benefit than other constituents that rely on the GSEs. Such a result would be wholly contrary to the purposes set forth in FIRREA in 1989, and innumerable bank regulatory and government pronouncements since then. More fundamentally, such a result would be contrary to any declared efforts of this country to recognize and improve the lives of urban inner city residents.

Thank you again. Obviously this is critically important to us. If you have any questions whatsoever, or any doubts whatsoever about following this recommendation, please call the undersigned immediately at (617) 283-██████.

Sincerely,



Robert Patrick Cooper  
Chairman-Elect

cc: The Honorable Barney Frank  
The Honorable Maxine Waters



09-2121\_000012

## **EXHIBIT 4**

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: The Secretary of the Treasury Department  
Review #: 09-2121  
Date: April 20, 2009  
Location: Johns Hopkins University – School of Advanced International Studies  
Rome Building  
1619 Massachusetts Avenue, NW  
Washington, DC 20036  
Time: 1700hrs – 1745hrs (approximately)  
Participants: Leo Wise  
Omar Ashmawy

Summary: The Secretary of the Treasury Department is the former Secretary of the Treasury, serving from June 2006 until January 2009. He is currently a Distinguished Visiting Scholar at the Johns Hopkins University School of Advanced International Studies in Washington, DC. He was interviewed pursuant to Review 09-2121. We requested an interview with the Secretary of the Treasury Department and he consented to an interview. The Secretary of the Treasury Department made the following statements in response to our questioning:

1. The Secretary of the Treasury Department was given an 18 U.S.C. § 1001 warning, but would not sign a written acknowledgement of the warning until he spoke with his attorney. However, he consented to an interview. Ultimately, the Secretary of the Treasury Department refused to sign the 18 U.S.C. § 1001 warning acknowledgement.
2. The Secretary of the Treasury Department recalled the week first two weeks of September 2008 because the dates corresponded to the decision to place Fannie Mae and Freddie Mac into conservatorship. Furthermore, The Secretary of the Treasury Department is currently writing a book and, as a result, has thought considerably about this time frame.
3. In late August 2008 it was becoming apparent that there were serious concerns with the financial health of Fannie Mae and Freddie Mac and the Secretary of the Treasury Department

was working around the clock dealing with these concerns. On Friday, September 5, 2008, the Secretary of the Treasury Department met with the managers of the financial institutions and called Members of Congress to inform them of the Treasury's likely remedy for the ailing mortgage companies. On September 6, 2008, the Secretary of the Treasury Department met with the boards of Fannie Mae and Freddie Mac and on Sunday, September 7, 2008 the institutions were placed into conservatorship. The manner in which the Treasury Department structured the conservatorship, bondholder were protected, but entities holding preferred stock were vulnerable. The number of banks that this structure would affect remained an open question for the Secretary of the Treasury Department and the department.

4. As a result of these actions, the Secretary of the Treasury Department was receiving dozens and dozens of phone calls in the early part of the week of 8 September – totaling 70-80 calls a day. However, he had a clear recollection of receiving a call from Representative Waters because the Member addressed in her phone call the very matter currently under debate within the Treasury Department – the effect that the decision to not protect preferred stock holders would have on small banks. This statement by Representative Waters seemed prescient to the Secretary of the Treasury Department and he recalled being very impressed by her awareness of the problem and, in fact, commented on it to an employee after the phone call.

5. During the phone call Representative Waters indicated that she had some people in town who were important to her and that they would only be in town for a day or two. She referred to them as good people and said that they needed a sit down with the Treasury Department. The Secretary of the Treasury Department was fairly certain that Representative Waters did not mention a particular bank. He was unequivocal that Representative Waters did not mention she had a personal financial interest in OneUnited or any other bank. Had Representative Waters informed the Secretary of the Treasury Department of her financial interest, the Secretary of the Treasury Department would still have granted the meeting. It was the Secretary of the Treasury Department's policy to grant all reasonable requests made by a member of Congress regardless of political party.



6. The Secretary of the Treasury Department also stated that given how busy the department was the week of 8 September 2008, a meeting with bank officials would not have happened unless Representative Waters asked for the meeting and he decided to grant it.

I prepared this Memorandum of Interview on April 21, 2009 after interviewing the Secretary of the Treasury Department on April 20, 2009. I certify that this memorandum contains all pertinent matter discussed with the Secretary of the Treasury Department on April 20, 2009.

Omar S. Ashmawy  
Investigative Counsel

## **EXHIBIT 5**

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: The Chief of Staff to Representative Maxine Waters  
Review #: 09-2121  
Date: June 29, 2009  
Location: Office of Representative Maxine Waters  
2344 Rayburn House Office Building  
Washington, DC 20515  
Time: 1000hrs – 1045hrs (approximately)  
Participants: Omar Ashmawy  
Bryson Morgan

Summary: The Chief of Staff to Representative Maxine Waters is the Chief of Staff to Representative Maxine Waters. He was interviewed pursuant to Review 09-2121. We requested an interview with the Chief of Staff to Representative Maxine Waters and he consented to an interview. The Chief of Staff to Representative Maxine Waters made the following statements in response to our questioning:

1. The Chief of Staff to Representative Maxine Waters was given and signed an 18 U.S.C. § 1001 warning.
2. The Chief of Staff to Representative Maxine Waters, along with other members of Representative Waters' staff, handles minority banking issues for the Representative Waters. In the Fall of 2008 the Chief of Staff to Representative Maxine Waters was not aware of Representative Waters' or her spouse's financial interest in OneUnited Bank. The Chief of Staff to Representative Maxine Waters first heard of the September 2008 meeting between U.S. Treasury Department officials and representatives of the National Bankers Association (NBA) in late August from Bob Cooper, Chairman-elect of the NBA and Vice President and Senior Counsel of OneUnited Bank, who had raised the issue of the impact of the actions taken by the Treasury Department with regard to Fannie Mae and Freddie Mac on minority-owned banks.
3. Mr. Cooper followed up on his conversation with Representative Waters' staff with an August 22, 2008 letter to Representative Waters' office requesting that Rep. Waters request a

meeting with the Treasury Department. The request for the meeting with Treasury Department officials was the only request that the NBA made of Representative Waters' office in the fall of 2008.

4. According to the Chief of Staff to Representative Maxine Waters, Mr. Cooper then sent a letter requesting the meeting to the Treasury Department which cc'd Representative Barney Frank. Shortly thereafter, Congresswoman Waters followed up on the letter by calling Secretary Paulson. When the meeting had been granted, the Treasury Department then reached out to the representatives from regulatory institutions to invite them to the meeting. Representative Waters asked The Chief of Staff to Representative Maxine Waters to follow up with the Treasury Department about the meeting. The Chief of Staff to Representative Maxine Waters does not recall exchanging any e-mails with Jeb Mason.

5. The Chief of Staff to Representative Maxine Waters alerted Mr. Cooper that the meeting with the Treasury Department had been granted and then the NBA decided whom to invite to the meeting. The Chief of Staff to Representative Maxine Waters was not aware of whom the NBA invited to the meeting, but Mr. Cooper relayed back to the Chief of Staff to Representative Maxine Waters the names of the individuals who had accepted the invitation. It did not strike The Chief of Staff to Representative Maxine Waters as odd that the NBA had gathered a small group of people to attend the meeting. The Chief of Staff to Representative Maxine Waters stated that he deferred to the NBA to determine who would be present at the meeting. It did not seem strange to the Chief of Staff to Representative Maxine Waters that OneUnited Bank had such extensive representation at the meeting. The Chief of Staff to Representative Maxine Waters believes that there are members of the NBA in the Washington, DC area.

6. The Chief of Staff to Representative Maxine Waters spoke to and exchanged e-mails with Mr. Kevin Cohee, the Chairman and CEO of OneUnited Bank on a couple of occasions, but dealt directly with Mr. Cooper with regard to the September meeting. In their exchanges, Mr. Cohee talked about his concerns with the devaluation of Fannie Mae and Freddie Mac stock and its impact on minority-owned banks, and used his bank, One United as an exemplar of an institution that would potentially be impacted by such devaluation. The Chief of Staff to Representative Maxine Waters believes that Mr. Cohee was in Washington, DC at the time that Mr. Cooper first visited Rep. Waters' office to discuss the possibility of a meeting with Treasury Department officials.

7. The Chief of Staff to Representative Maxine Waters does not remember the identities of the administration representatives present at the September meeting. He does recall that an assistant secretary or similar high-ranking Treasury Department official was present. He does not specifically recall Jeb Mason being present at the meeting. The Chief of Staff to Representative

Maxine Waters recalls that the following non-administration persons were present at the meeting: a representative of Senator John Kerry; a representative of Representative Barney Frank; George Lyons, counsel to the NBA; Bob Cooper; Kevin Cohee; and Terry Williams, President of OneUnited. In the Chief of Staff to Representative Maxine Waters's opinion, the meeting was a "high priority" or "high-concern" meeting.

8. The September meeting lasted for about 45 minutes to an hour. Mr. Cooper revealed that he represented both the NBA and OneUnited, but said that at the meeting he was representing NBA. Mr. Cooper then presented his concerns to Treasury Department officials and a dialogue about the impact of the actions with regard to Fannie Mae and Freddie Mac on minority-owned banks and potential remedies ensued. The Chief of Staff to Representative Maxine Waters does not remember any specific potential remedies discussed, but does remember that one potential remedy that was discussed at the meeting was a transfer of funds from the Treasury Department to minority-owned banks. The Chief of Staff to Representative Maxine Waters stated that Mr. Cohee spoke using OneUnited as an exemplar of the impact the Treasury Department actions would have on minority-owned banks. Mr. Cohee also expressed similar concerns at the meeting.

9. Representative Waters' office's interactions with OneUnited occur mostly through the NBA. The Chief of Staff to Representative Maxine Waters interacted with the NBA "very often" through contact with Bob Cooper and Michael Grant, President of the NBA. Cooper and Grant were often cc'd on e-mails involving minority-bank issues. Mr. Cohee also may have been cc'd on e-mails involving discussions about potential remedies for minority-owned banks.

10. The Chief of Staff to Representative Maxine Waters is only aware of one conversation between Representative Waters and Representative Barney Frank. He became aware of this conversation when, as he went through his tasks with Representative Waters one day following the September meeting, she indicated that he need not work on the minority-bank matters because, as she said, "I spoke to Barney. Don't worry about it." The Chief of Staff to Representative Maxine Waters interpreted this to mean that he need not work on the NBA matters that day. The Chief of Staff to Representative Maxine Waters does not remember Representative Waters making any reference to Representative Frank instructing her to not get involved in NBA matters.

11. The Chief of Staff to Representative Maxine Waters remembers talking to Mr. Cooper after the front-page article about the meeting ran in the New York Times, and perhaps another conversation about the OCE reaching out to him.

I prepared this Memorandum of Interview on June 29, 2009 after interviewing the Chief of Staff to Representative Maxine Waters on June 29, 2009. I certify that this memorandum contains all pertinent matter discussed with Mr. Paulson on June 29, 2009.

Omar S. Ashmawy  
Investigative Counsel

## **EXHIBIT 6**

## MEMORANDUM FOR RECORD

SUBJECT: Telephone conversation with Mr. Robert Cooper

DATE: April 17, 2009

1. I spoke to Mr. Robert Cooper today, April 17, 2009, by telephone. Mr. Cooper is a Vice President and Senior Counsel of OneUnited Bank. He is also the current Chairman of the National Bankers Association (NBA).
2. My conversation with Mr. Cooper centered on a September 2008 meeting with Treasury Department officials. This meeting is the subject of OCE Review 09-2121. Mr. Cooper related that approximately 20 people attended the meeting. The Treasury Department and all the bank regulatory agencies were represented. Mr. Anthony Ryan was described as the lead Treasury official at the meeting.
3. Although Mr. Cooper was also an employee of OneUnited he was also the Chairman-elect of the NBA and he stated that he was there as a representative of the NBA. The reason for the meeting was to bring the concerns of minority owned banks to the attention of government officials. Approximately one half of the meeting was used by Mr. Ryan to explain why the government took the actions it did with regard to Freddie and Fannie Mae. OneUnited was represented at the meeting as illustrative of what could happen to the sector if the Federal government did not assist them. OneUnited was the only bank independently represented at the meeting.



## **EXHIBIT 7**



**CONFIDENTIAL**

September 10, 2008

The Honorable Anthony W. Ryan  
 Acting Under Secretary for Financial Institutions Policy  
 United States Department of the Treasury  
 1500 Pennsylvania Avenue, NW  
 Washington, D.C. 20220

**Re: National Bankers Association – Minority Bank Capital Restoration Program**

Dear Mr. Ryan:

As a follow-up to our meeting yesterday, we sincerely appreciated the opportunity to discuss with you, Senior Treasury representatives and bank regulatory agency officials the impact of the recent conservatorship of Fannie Mae and Freddie Mac (collectively, the "GSEs") on minority depository institutions ("MDIs"). We emphasized that Treasury should provide appropriate protection on an urgent basis to avert possible failure of one if not several of our institutions, a situation that would undoubtedly reverberate through the entire minority banking sector, causing irreparable harm to the inner-city communities we serve. Unlike with a typical "majority" bank, no bank will step in to save our inner-city communities should one of our banks fail.

As a result of the discussions at the meeting and subsequently, we have refined our proposal consistent with our immediate need to protect minority banks from failure or significant adverse impact due to the decline in the GSE preferred stock. Accordingly, we would propose the following Minority Bank Capital Restoration Program:

**As a part of the resolution to the takeover of the GSEs, Treasury would redeem the GSE preferred stock held by an MDI in an amount equal to the lesser of: (1) the amount the MDI paid for the preferred stock; or (2) the amount necessary to return the MDI back to "well-capitalized" status (as defined in the relevant Prompt Corrective Action rules).**

Again, we are not seeking a windfall from this resolution. We note that this proposal very well may result in an MDI losing money on its GSE preferred, which is consistent with Treasury's stated goal to protect taxpayers. We also reiterate our position that there is no less reason to protect minority banks that invested in GSEs than the reasons for the resolution you are developing for the GSEs themselves. Both serve critical social and economic roles in the economic and social framework of their communities.

To be clear, however, while the return of this capital is very important to the continued health of minority banks, given their size it is not significant to the government in

1513 P Street, NW., Washington, D. C. 20005  
 (202) 588-5432 Fax (202) 588-5443

09-2121\_000025

absolute dollar terms, let alone relative to the anticipated expenditure with respect to the GSEs. Such a result will preserve the critical service provided by minority banks, and be consistent with the broader and more significant relief provided to the GSEs and the more general Congressional and other commitments to preserve minority banks in FIRREA and elsewhere.

It is also worth mentioning that time is of the essence and we continue to be concerned that the relief we are seeking, or any appropriate derivative thereof, may not be granted in time to avert an impending crisis. Therefore, we respectfully request and thank you in advance for acting on our request on an urgent basis. To put it bluntly, we are seeking Treasury action on this proposal this week.

If you have any questions, please feel free to contact me at (617) 457-████. In any event, I hereby request ongoing standing calls with you or a member of your Senior staff to discuss progress. Please call me to discuss the appropriate member of your staff to engage in those discussions.

We hereby request confidential treatment of this letter to the fullest extent permitted by your regulator.

Sincerely,



Robert Patrick Cooper  
Chairman-Elect

cc: The Honorable Henry M. Paulson, Jr.

The Honorable Michael E. Capuano  
The Honorable Christopher Dodd  
The Honorable Barney Frank  
The Honorable Edward Kennedy  
The Honorable John Kerry  
The Honorable Maxine Waters  
The Honorable Stephen F. Lynch

## **EXHIBIT 8**

Re Kevin please forward me the contact information for barney's staff Thanks Page 1 c

**Moore, Mikael**

---

**From:** Phillips, John (Small-Business) [John\_Phillips@small-bus.senate.gov]  
**Sent:** Monday, September 08, 2008 6:59 PM  
**To:** [REDACTED]@oneunited.com; Moore, Mikael  
**Subject:** Treasury meeting tomorrow.

Kevin, I am happy to join you at the meeting. My direct line at work is [REDACTED]. My cell phone number is [REDACTED]. My social security # is [REDACTED]. And my date of birth is [REDACTED]. Please let me know if you need any additional information. Do you know what room the meeting is being held? Thanks. Jcp

Sent from my BlackBerry Wireless Handheld

---

**From:** Kevin Cohee  
**To:** Phillips, John (Small-Business); mkael.moore@mail.huse.gov  
**Sent:** Mon Sep 08 18:43:28 2008  
**Subject:** Re: Kevin, please forward me the contact information for barney's staff. Thanks. Jcp

Thank you for your help on this critical issue. We would appreciate your participation at the meeting at 11am at treasury. Could you please forward your number so Congresswoman's Waters office can take care of any security issues. I will land in dc at 830.

-----Original Message-----

**From:** Phillips, John (Small-Business) <John\_Phillips@small-bus.senate.gov>  
**To:** Kevin Cohee  
**Sent:** Sun Sep 07 13:40:35 2008  
**Subject:** Kevin, please forward me the contact information for barney's staff. Thanks. Jcp

Sent from my BlackBerry Wireless Handheld

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## **EXHIBIT 9**

**Moore, Mikael**

**From:** Moore, Mikael  
**Sent:** Thursday, September 11, 2008 12:45 PM  
**To:** Jeffers, Erika  
**Subject:** FW: NBA Letter to the Treasury  
**Attachments:** NBA Treasury Letter (091008).pdf

**Mikael Moore**  
**Chief Of Staff**  
**Congresswoman Maxine Waters (CA-35)**  
**o: 202-225-██████████**  
**c: ██████████**  
**f: 202-225-7854**

---

**From:** Phillip Perry [mailto:██████████@OneUnited.com]  
**Sent:** Wednesday, September 10, 2008 8:46 PM  
**To:** Moore, Mikael  
**Cc:** Bob Cooper  
**Subject:** NBA Letter to the Treasury

Dear Mikael,

Attached please find the National Bankers Association's letter to the U.S. Dept. of the Treasury. Please don't hesitate to contact me if you have any questions or if I can be of further assistance. Thank you.

**Phillip R. Perry**  
 Department Administrator  
 Legal and Business Development  
**OneUnited Bank**  
 100 Franklin Street, Suite 600  
 Boston, MA 02110  
**p:** 617.457.██████████  
**f:** 617.542.1797  
**bb:** ██████████  
 ██████████@oneunited.com  
 www.oneunited.com

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4/6/2009

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23



**CONFIDENTIAL**

September 10, 2008

The Honorable Anthony W. Ryan  
 Acting Under Secretary for Financial Institutions Policy  
 United States Department of the Treasury  
 1500 Pennsylvania Avenue, NW  
 Washington, D.C. 20220

**Re: National Bankers Association – Minority Bank Capital Restoration Program**

Dear Mr. Ryan:

As a follow-up to our meeting yesterday, we sincerely appreciated the opportunity to discuss with you, Senior Treasury representatives and bank regulatory agency officials the impact of the recent conservatorship of Fannie Mae and Freddie Mac (collectively, the "GSEs") on minority depository institutions ("MDIs"). We emphasized that Treasury should provide appropriate protection on an urgent basis to avert possible failure of one if not several of our institutions, a situation that would undoubtedly reverberate through the entire minority banking sector, causing irreparable harm to the inner-city communities we serve. Unlike with a typical "majority" bank, no bank will step in to save our inner-city communities should one of our banks fail.

As a result of the discussions at the meeting and subsequently, we have refined our proposal consistent with our immediate need to protect minority banks from failure or significant adverse impact due to the decline in the GSE preferred stock. Accordingly, we would propose the following Minority Bank Capital Restoration Program:

As a part of the resolution to the takeover of the GSEs, Treasury would redeem the GSE preferred stock held by an MDI in an amount equal to the lesser of: (1) the amount the MDI paid for the preferred stock; or (2) the amount necessary to return the MDI back to "well-capitalized" status (as defined in the relevant Prompt Corrective Action rules).

Again, we are not seeking a windfall from this resolution. We note that this proposal very well may result in an MDI losing money on its GSE preferred, which is consistent with Treasury's stated goal to protect taxpayers. We also reiterate our position that there is no less reason to protect minority banks that invested in GSEs than the reasons for the resolution you are developing for the GSEs themselves. Both serve critical social and economic roles in the economic and social framework of their communities.

To be clear, however, while the return of this capital is very important to the continued health of minority banks, given their size it is not significant to the government in



absolute dollar terms, let alone relative to the anticipated expenditure with respect to the GSEs. Such a result will preserve the critical service provided by minority banks, and be consistent with the broader and more significant relief provided to the GSEs and the more general Congressional and other commitments to preserve minority banks in FIRREA and elsewhere.

It is also worth mentioning that time is of the essence and we continue to be concerned that the relief we are seeking, or any appropriate derivative thereof, may not be granted in time to avert an impending crisis. Therefore, we respectfully request and thank you in advance for acting on our request on an urgent basis. To put it bluntly, we are seeking Treasury action on this proposal this week.

If you have any questions, please feel free to contact me at (617) 457-████. In any event, I hereby request ongoing standing calls with you or a member of your Senior staff to discuss progress. Please call me to discuss the appropriate member of your staff to engage in those discussions.

We hereby request confidential treatment of this letter to the fullest extent permitted by your regulator.

Sincerely,



Robert Patrick Cooper  
Chairman-Elect

cc: The Honorable Henry M. Paulson, Jr.

The Honorable Michael B. Capuano  
The Honorable Christopher Dodd  
The Honorable Barney Frank  
The Honorable Edward Kennedy  
The Honorable John Kerry  
The Honorable Maxine Waters  
The Honorable Stephen F. Lynch

## **EXHIBIT 10**

**Moore, Mikael**

**From:** Moore, Mikael  
**Sent:** Thursday, September 11, 2008 12:45 PM  
**To:** Jeffers, Erika  
**Subject:** FW: NBA Letter to the Treasury  
**Attachments:** NBA Treasury Letter (091008).pdf

**Mikael Moore**  
**Chief Of Staff**  
**Congresswoman Maxine Waters (CA-35)**  
**o: 202-225- [REDACTED]**  
**c: [REDACTED]**  
**f: 202-225-7854**

**From:** Phillip Perry [mailto:pperry@OneUnited.com]  
**Sent:** Wednesday, September 10, 2008 8:46 PM  
**To:** Moore, Mikael  
**Cc:** Bob Cooper  
**Subject:** NBA Letter to the Treasury

Dear Mikael,

Attached please find the National Bankers Association's letter to the U.S. Dept. of the Treasury. Please don't hesitate to contact me if you have any questions or if I can be of further assistance. Thank you.

**Phillip R. Perry**  
 Department Administrator  
 Legal and Business Development  
**OneUnited Bank**  
 100 Franklin Street, Suite 600  
 Boston, MA 02110  
**p:** 617.457. [REDACTED]  
**f:** 617.542.1797  
**bb:** [REDACTED]  
 [REDACTED]@oneunited.com  
 www.oneunited.com

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4/6/2009

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23

## **EXHIBIT 11**

**Moore, Mikael**

**From:** Bob Cooper [REDACTED]@OneUnited.com  
**Sent:** Friday, September 19, 2008 12:38 PM  
**To:** Moore, Mikael  
**Cc:** Melton, Noelle; Kevin Cohee  
**Subject:** FW: MDI Preferred Stock Redemption Language

Hi Mikael:

Here are our thoughts on an alternative back-up strategy in case Treasury does not grant the specific relief that we are requesting within the next couple of days. We would appreciate your thoughts, comments, etc. on both the strategy and the particular language. We have had an initial conversation with Mike Capuano's office and they are supportive of this approach, though they stressed that the particular language around the affected group would be key. It is a legislative solution and with that we realize that it may be fraught with the challenges and uncertainty that comes with trying to pass legislation. **Could you kindly share with Erika.** We will follow up with her.

It would be a provision in the Continuing Resolution, a temporary appropriations bill, that will be passed by Congress this coming week and signed by the president next weekend or early the following week. Alternatively, we could think about attaching it to the legislation creating a new RTC-like entity, but as we do know for sure that the CR will definitely be passed, it may be safer to put it in the CR as we are under extreme time pressure (filing of September 30th Call Report).

The brand new Federal Housing Finance Agency (the new GSE regulator) has never been addressed in an appropriations bill before. Its predecessor agency would have been addressed in the HUD appropriations bill but the new FHFA is an independent financial institution regulator which, like other such independent regulators, coordinates with the Treasury Department. So I have drafted this language as a provision in the appropriations bill (actually in this case, as a title of a continuing resolution that would fund Treasury and other fiscal agencies.) It is possible, however, that the House and Senate appropriations committees have not yet decided in which subcommittee (and, therefore, in which title of this continuing resolution) FHFA belongs. We don't really care for our purposes in this continuing resolution since, wherever they might put it in such an omnibus bill, it will be the law governing FHFA.

I've drafted this to provide only redemption at the purchase price since it's possible this provision would go in at the last minute without the committee having any time to (or wanting to?) vet it with Treasury.

Appreciate your assistance.

**IN THE FINANCIAL SERVICES AND GENERAL GOVERNMENT TITLE OF A BILL  
 MAKING CONTINUING APPROPRIATIONS FOR FISCAL YEAR 2009, INSERT AT THE  
 APPROPRIATE PLACE THE FOLLOWING PROVISION:**

Provided further, That, notwithstanding any other provision of law, the Director of the Federal Housing Finance Agency, acting as conservator, shall, or shall cause the regulated entities in conservatorship to, immediately redeem at the purchase price paid the preferred stock of such regulated entities in conservatorship which is held by a [U.S. Department of Treasury certified Community Development Financial Institution.]

**Robert Patrick Cooper**  
Senior Vice President / Senior Counsel  
OneUnited Bank  
100 Franklin Street, Suite 600  
Boston, MA 02110

p - 617.457. [REDACTED]  
c - [REDACTED]  
f - 617.507.8925  
e - [REDACTED]@oneunited.com

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## **EXHIBIT 12**

Fw: Bailout Legislation

Page 1 of 1

**Moore, Mikael**

**From:** Kevin Cohee [REDACTED]@OneUnited.com]  
**Sent:** Monday, September 22, 2008 9:01 AM  
**To:** Moore, Mikael  
**Subject:** Fw: Bailout Legislation  
**Attachments:** five percent language.doc

Could you please print this for our meeting.

-----Original Message-----

**From:** [REDACTED]@aol.com <[REDACTED]@aol.com>  
**To:** [REDACTED]@VERIZON.NET <[REDACTED]@VERIZON.NET>  
**CC:** Kevin Cohee; Teri Williams  
**Sent:** Mon Sep 22 08:04:45 2008  
**Subject:** Re: Bailout Legislation

P <<five percent language.doc>> S to previous email.

Attached and pasted below is a draft re Robert Primus's request. I've reformatted it slightly so that it could be banking committee bill language as opposed to approps language, but Counsel will vet it in any event

I will gavel my school board committee meeting to a close this morning in time to get to the doctor in Annapolis by 9:30 AM. It should be about 90 minutes there, unless she finds something unusual, and then 40 minutes to the office (Mindy will be at the office by 7:45) I can cancel anything after that except the reception and dinner I am hosting for San Fran Mayor Newsom that starts at 6 PM

LJF

Leander J. Foley, III  
 Foley Maldonado & O'Toole  
 513 Capitol Court NE, Suite 100  
 Washington, D.C. 20002  
 202-544-[REDACTED]  
 FAX 544-8009

Provided that, notwithstanding any other provision of law, the Director of the Federal Housing Finance Agency, acting as conservator, shall, or shall cause the regulated entities in conservatorship to, immediately redeem at the purchase price paid the preferred stock of such regulated entities in conservatorship which is held by any Department of Treasury certified community development financial institutions which, as September 5, 2007, had more than five percent of its total assets invested in the preferred stock of the regulated entities in conservatorship.

Looking for simple solutions to your real-life financial challenges? Check out WalletPop for the latest news and information, tips and calculators <<http://pr.atwola.com/promoclk/10000075x1209382257x1200540886/aol?redir=http://www.walletpop.com/?NCID=emc%2Fwall0000001>>

09-2121\_000039

38



## **EXHIBIT 13**

Fw: Treasury Request Appendix Final.xls

Page 1 of

**Moore, Mikael**

---

**From:** Bob Cooper [REDACTED]@OneUnited.com]  
**Sent:** Tuesday, September 23, 2008 10:56 AM  
**To:** Moore, Mikael  
**Subject:** Fw: Treasury Request Appendix Final.xls  
**Attachments:** Treasury Request Appendix Final.xls

-----Original Message-----

**From:** Teri Williams  
**To:** 'makaef.moore@mail.house.gov' <makaef.moore@mail.house.gov>  
**CC:** Bob Cooper  
**Sent:** Tue Sep 23 10:45:59 2008  
**Subject:** Treasury Request Appendix Final.xls

<<Treasury Request Appendix Final.xls>> --

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09-2121\_000042

OneUnited Bank Investment In GSE Preferred Stock				
Series	Book value	Par value	Par	Shares
<b>Fannie Mae</b>				
N	\$ 4,780,439.30	\$ 5,000,000.00	\$ 50.00	100,000
Q	\$ 4,833,988.46	\$ 5,000,000.00	\$ 25.00	200,000
S	\$ 5,179,245.32	\$ 5,000,000.00	\$ 25.00	200,000
S	\$ 10,271,225.07	\$ 10,000,000.00	\$ 25.00	400,000
<b>Freddie Mac</b>				
T	\$ 5,824,130.81	\$ 6,250,000.00	\$ 50.00	125,000
Z	\$ 5,228,121.50	\$ 5,000,000.00	\$ 25.00	200,000
Z	\$ 5,198,878.56	\$ 5,000,000.00	\$ 25.00	200,000
Z	\$ 5,198,789.24	\$ 5,000,000.00	\$ 25.00	200,000
Z	\$ 5,245,807.53	\$ 5,000,000.00	\$ 25.00	200,000
	<b>\$ 51,758,403.58</b>	<b>51,250,000.00</b>		

Call Report Data			
	June 30, 2008 Reported on call report		September 30, 2008 Minimum capital needed to be well-capitalized*
Tier 1 capital	\$ 39,928,000.00	RC-R 11	\$ 35,000,000.00
Average assets*	\$ 735,370,000.00	RC-R 27	\$ 700,000,000.00
Tier 1 leverage ratio	5.43%	RC-R 31	5.00%
Capital category	WELL		WELL
* OneUnited Bank has been reducing assets to reduce capital needed to remain well capitalized			

<b>Tier 1 Capital as of June 30, 2008</b>	<b>\$</b>	<b>39,928,000.00</b>
<b>Tier 1 Capital at Preferred GSE Values Since Conservatorship</b>	<b>\$</b>	<b>(6,993,403.58)</b>
<i>(This amount does not include the \$4.7million of current value of GSE stock to be return to Treasury)</i>		
<b>Request from Treasury in exchange for \$51,250,000 in GSE Preferred Stock (par value)</b>	<b>\$</b>	<b>41,993,403.58</b>
<i>(This amount is based on the \$35,000,000 required to be well capitalized and the negative \$6,993,403.58 Tier 1 Capital.)</i>		
<b>OneUnited Bank Remaining Loss from GSE Preferred Stock</b>	<b>\$</b>	<b>(9,763,000.00)</b> <sup>4</sup>

## **EXHIBIT 14**

**Moore, Mikael**

**From:** Bob Cooper [REDACTED]@OneUnited.com]  
**Sent:** Thursday, September 25, 2008 9:24 AM  
**To:** Moore, Mikael  
**Subject:** Any update?

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## **EXHIBIT 15**

October 29, 2008

The Honorable Neel Kashkari  
 Assistant Secretary for Financial Stability  
 Office of Financial Stability  
 U.S. Department of Treasury  
 1500 Pennsylvania Avenue NW  
 Washington DC 20005

Dear Assistant Secretary Kashkari:

09-2121\_000046

On behalf of the membership of the National Bankers Association (NBA), we like to commend the U.S. Department of Treasury (UST) for its efforts to ensure the stability of the U.S. and global financial markets. We believe the recently launched Capital Purchase Program of the TARP is an important step toward stabilizing financial markets in our country. In this context, the NBA respectfully urges the UST to create a special initiative modeled on the Capital Purchase Program targeted to banks, thrifts and their holding companies that are considered Minority Depository Institutions (MDIs) under section 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) or as designated as MDIs by the Federal Deposit Insurance Corporation (FDIC).

Founded in 1927 the NBA is a non-profit trade association that advocates on behalf of its African American, Asian American, Hispanic American, Native American and Women-Owned financial institutions, creates educational and training opportunities, and develops programs and services for member banks. The association's office is located in Washington, D.C. Our member banks have a primary mission of promoting community development and principally serving distressed and underserved communities. The NBA's member banks deliver credit and technical assistance to borrowers in a responsible manner to foster growth and stability.

As you are aware, for over five decades, the U.S. Treasury has played a significant role in investing in minority depository institutions. The U.S. Treasury Department's Minority Bank Depository Program (MBDP) began in 1969 in response to Executive Order 11458, which established a national program supporting minority business enterprise. It was expanded under Executive Orders 11625 and 12138. The Competitive Equality Banking Act of 1987 and FIRREA include provisions supporting the intent of the MBDP that specifically sought to improve the standing and establish the preservation of minority banks. Both programs are recognition of the unique challenges of minority banks, a promise and an understanding of how to rectify them, and an effort to support the critical role MDIs play in stabilizing underserved and distressed communities by providing opportunities for constituents of those communities to have access to financial services.

As a continuation of these efforts, the provisions of the NBA Capital Purchase Program allows for MDIs, who are mostly privately held companies, to effectively participate in the Emergency Economic Stabilization Act of 2008 and assist with the intent of providing credit opportunities to the nation's residents. The member banks of the NBA believe that by providing access to capital through the TARP program on terms conducive to the needs of the banks, the UST will enable capital to be used to provide financial assistance to residents of Main Street and support strengthening and opening up of the credit markets.

Some of the terms of a program will need to be different than are currently offered under the TARP Capital Purchase Program. To maximize our efforts as a key partner of the Federal Government in rebuilding low income

communities, devastated by the subprime meltdown and economic downturn, we will need capital that is affordable and patient and a provision to assist with accountability reporting. Attached is an outline of the proposed NBA Capital Purchase Program.

We look forward to working with UST to help strengthen our nation's financial system. If you have any questions, please feel free to contact the NBA: President, Michael Grant at (202) 588-████; Chairman Floyd Weekes at (615) 329-████.

Sincerely,

Floyd Weekes  
Chairman, National Bankers Association

Michael A. Grant, J.D.  
President, National Bankers association

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## **EXHIBIT 16**

April 21, 2008

Kevin Cohee  
Chairman & CEO  
ONE UNITED BANK  
1688 Crenshaw Boulevard  
Los Angeles, CA 90008-3830

Dear Kevin:

As of today's date, April 21, 2008, this letter to you is my formal resignation as a member of the Board of Directors of One United Bank.

I would like to thank you and the members of the Board for the opportunity you offered me to serve on the Board.

I have enjoyed the privilege and the challenges of assisting in the oversight and development of policy that has ensured the viability of one of the most important financial institutions in the National African American Community.

I am proud of you and the terrific knowledge, experience and hard work you bring to One United and I look forward to continuing our relationship as a customer and a friend.

Very truly yours,

  
Sidney Williams

09-2121\_000049

## **EXHIBIT 17**



## **EXHIBIT 18**

## CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Representative A  
Review #: 09-2121  
Date: July 8, 2009  
Location: 2344 Rayburn HOB  
Time: 3:15- 3:45pm (approximately)  
Participants: Omar Ashmawy  
Leo Wise

Summary: Representative A is a Member of the United States House of Representatives and the Chairman of the House Financial Services Committee. He was interviewed pursuant to Review 09-2121. We requested an interview with Representative A and he consented to an interview. Representative A made the following statements in response to our questioning:

1. Representative A was given an 18 U.S.C. § 1001 warning, and signed a written acknowledgement.
2. Representative A stated that the first interaction he could recall with Representative Waters regarding OneUnited was two to three years ago. Representative Waters told him that "Sydney [Representative Waters' husband] wants to talk about something [regarding OneUnited] I can't discuss." Representative A recalled that this interaction had something to do with a transaction that never happened. He understood that Representative Waters could not discuss the matter because of a conflict of interest arising out of the fact her husband was on the board of directors of OneUnited.
3. Regarding his interactions with Representative Waters in September 2008, Representative A recalled that Representative Waters told him that there was a problem with OneUnited, but that she didn't know what to do about it because "Sydney's been on the board." This was relevant to Representative A because OneUnited was a minority owned bank and Representative Waters and another Member of Congress on the committee had been handling minority banking issues for the committee.

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4. Representative A recalled that the problem Representative Waters referenced was the fact that OneUnited has purchased more preferred shares of Fannie Mae and Freddie Mac than any other bank. The problem OneUnited had was an exaggerated version of the problem every other bank had. OneUnited had overbought preferred shares in Fannie Mae and Freddie Mac and was therefore at a greater risk of collapse than any other bank holding preferred shares of Fannie Mae and Freddie Mac.
5. Congress decided to create a legislative fix for banks who invested in preferred Fannie Mae and Freddie Mac stocks. Banks would be able to accelerate the write off for those stocks – allowing them to write off the entire value of the stock in a single year. However, it turned out that OneUnited has so much preferred stock that the legislative fix was not enough for them to survive. As a result, the House passed legislation, authored by the Ways and Means Committee, that allowed a bank, that would otherwise be ineligible, to qualify for TARP funds if the sole reason for their capital impairment was their investment in Fannie Mae and Freddie Mac preferred stock.
6. Representative Waters told Representative A that she was in a predicament because Sydney had been involved in the bank, but OneUnited people were coming to her for help. She knew she should say no, but it bothered her. It was clear to Representative A that this was a conflict of interest problem.
7. Representative A's advice to Congresswoman Waters was to "stay out if it" – OneUnited was a Boston bank and he had a commitment to minority banks. He would address the problem. Representative A then asked his staff to take over the OneUnited issue from Representative Waters.
8. Representative A had at least two conversations with Representative Waters in which he told her to not get involved in the OneUnited matter. The conversations likely occurred in September 2008, but he could not recall any specific dates.
9. Representative Waters seemed relieved that Representative A was going to do something about OneUnited because she didn't need to feel guilty. She was grateful that the problem would be addressed.
10. Representative A did not know how big a presence OneUnited had in the National Bankers Association (NBA). However, he has interacted with the NBA often and OneUnited was never a major presence. When he thought of the NBA, he thought of southern banks and not OneUnited.

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I prepared this Memorandum of Interview on July 14, 2009 after interviewing Representative A on July 8, 2009. I certify that this memorandum contains all pertinent matter discussed with Representative A on July 8, 2009.

Omar S. Ashmawy  
Investigative Counsel