



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, DC 20551

March 31, 2022

Gerard Chamberlain, Esq.  
Senior Deputy General Counsel  
Santander Holdings USA, Inc.  
75 State Street  
Boston, Massachusetts 02109

Dear Mr. Chamberlain:

This is in response to your letter dated July 29, 2021, requesting prior approval for Banco Santander, S.A. (“BSSA”), Madrid, Spain, through its U.S. intermediate holding company and wholly owned subsidiary, Santander Holdings USA, Inc. (“SHUSA,” and together with BSSA, “Santander”), Boston, Massachusetts, to acquire all the outstanding equity of Pierpont Capital Holdings LLC (“Pierpont Holdings”), parent of Amherst Pierpont Securities LLC (“Amherst Pierpont”), both of New York, New York, pursuant to section 163(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”),<sup>1</sup> and to continue Amherst Pierpont’s status as a primary dealer following consummation of the proposal, under the Primary Dealers Act of 1988 (“Primary Dealers Act”).<sup>2</sup>

Pierpont Holdings is a privately owned company that engages in investment banking and other related activities. The majority of Pierpont Holdings’ activities are conducted through Amherst Pierpont, a registered broker-dealer operating primarily in the fixed-income capital markets. Additionally, Amherst Pierpont has been designated by the Federal Reserve Bank of New York as a primary dealer of U.S. Treasury securities. Under the proposal, BSSA, through SHUSA, would acquire 100 percent of

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<sup>1</sup> 12 U.S.C. § 5363(b). Under section 163(b) of the Dodd-Frank Act, as amended, a bank holding company with total consolidated assets of \$250 billion or more cannot acquire direct or indirect ownership or control of any voting stock of any company with total assets of \$10 billion or more that is engaged in activities described in section 4(k) of the Bank Holding Company Act (“BHC Act”) without prior notice to the Board.

<sup>2</sup> 22 U.S.C. § 5342(b)(1).

the outstanding equity of Pierpont Holdings for total consideration of approximately \$600 million.

The aforementioned transaction requires the Board's approval pursuant to section 163(b) of the Dodd-Frank Act. In connection with this request, the Board has considered (1) whether the proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects<sup>3</sup> and (2) the extent to which the proposed acquisition would result in greater or more concentrated risks to global or U.S. financial stability or the U.S. economy.

Based on all the facts of record, the Board has determined that Santander's request under section 163(b) of the Dodd-Frank Act should be, and hereby is, approved. In making this determination, the Board relied on all the information and representations that Santander provided to the Board related to the request. Any change in the facts presented by the record or the representations made by Santander could result in a different conclusion and should be reported to Board staff immediately.

This determination also is subject to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, or prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders thereunder. This action should not be construed as granting relief from any other regulatory requirements, conditions, or commitments to which Santander may be subject.

Additionally, for Amherst Pierpont to maintain its designation as a primary dealer after being acquired by Santander, the Board must determine, pursuant to the Primary Dealers Act, that Spain grants to U.S. companies the same competitive opportunities to underwrite and distribute Spanish government debt instruments as Spain accords to its domestic companies.<sup>4</sup> In connection with Santander's request, the Federal Reserve conducted a review of the market in Spanish government debt instruments. The review drew on public information as well as on confidential communications with market participants and Spanish regulators. The Board also issued a notice in the Federal Register requesting public comment on all aspects of the review.<sup>5</sup> After completing this review, the Board has determined that the Spanish government grants to U.S. companies the same competitive opportunities to underwrite and distribute Spanish government debt instruments as Spain accords to its domestic companies. Accordingly, Amherst Pierpont may maintain its designation as a primary dealer following consummation of the proposal.

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<sup>3</sup> 12 U.S.C. § 1843(j)(2).

<sup>4</sup> See 22 U.S.C. § 5342(b)(1).

<sup>5</sup> 86 FR 59390 (October 27, 2021). The comment period closed on November 26, 2021. The Board received no comments in response to its request.

Please advise the Federal Reserve Bank of Boston in writing when the transaction has been consummated.

Very truly yours,

*(Signed) Ann E. Misback*

Ann E. Misback  
Secretary of the Board