



State of New York

Executive Chamber

No. 15

E X E C U T I V E O R D E R

ESTABLISHING THE NEW YORK STATE COMMISSION TO MODERNIZE THE REGULATION OF FINANCIAL SERVICES

WHEREAS, New York is the financial capital of the world, home to a thriving financial services market that serves as an engine for the state economy; and

WHEREAS, the financial services sector generates by far the largest revenues of any other market sector in New York, and employs hundreds of thousands of employees throughout the state; and

WHEREAS, cutting edge technologies, creative solutions and innovative strategies are essential for financial services companies to successfully compete in the marketplace; and

WHEREAS, various financial services companies have alleged that unnecessary, burdensome and inconsistent regulation by multiple state regulators has stunted creativity and growth in many aspects of the financial services sector in New York, resulting in higher business costs and lost opportunities; and

WHEREAS, various consumer advocacy groups have alleged that New York's regulation of financial services companies is outdated and does not adequately protect consumers; and

WHEREAS, New York's economic outlook depends in large part on whether it can attract and retain financial services companies and remain the financial capital of the world; and

WHEREAS, global competition to attract and retain financial services companies has never been greater; and

WHEREAS, in order to remain the global leader in the sector, New York must adopt world class financial services regulations that protect consumers, and promote growth and creativity in the industry; and

WHEREAS, a comprehensive review of New York's financial regulations is necessary to provide the state with critical information essential to improve financial regulation in the state;

NOW, THEREFORE, I, Eliot Spitzer, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and the Laws of the State of New York do hereby order as follows:

1. There is hereby established the New York State Commission to Modernize the Regulation of Financial Services ("Commission").
2. The Commission shall consist of at least 15 members appointed by the Governor, including: (a) the Superintendent of Insurance, the Superintendent of Banks, the Secretary of State, the Chairperson of the Consumer Protection Board, and the Attorney General; (b) the Chairs of the Senate and Assembly Insurance and Banking Committees; and (c) at least six additional members appointed by the Governor, including representatives of the insurance, banking and securities industries, other business leaders and consumer groups. The Superintendent of Insurance shall serve as the Chair of the Commission.
3. A majority of the members of the Commission shall constitute a quorum, and all recommendations of the Commission shall require approval of a majority of the total members of the Commission.
4. The Commission shall conduct a comprehensive review of New York's financial services statutes, regulations, rules and policies. The Commission is charged with:
 - (a) identifying ways in which regulatory powers may be integrated, rationalized, and changed in order to promote economic innovation and protect consumers;
 - (b) recommending specific changes in statutes and regulations that promote competition and the growth of business, while effectively protecting both consumers and businesses from unfair or unethical practices; and
 - (c) ensuring that all statutes and regulations serve a beneficial purpose and do not impose costs higher than any benefits they provide.
5. In undertaking its review, the Commission may request documents, conduct public hearings, hear the testimony of witnesses, and take any other actions it deems necessary to carry out its functions.
6. The Commission shall issue such interim reports of its findings as it deems necessary and appropriate, and shall issue its final report and recommendations on or before June 30, 2008. All reports shall be submitted to the Governor, the Temporary President of the Senate, the Speaker of the Assembly, the Minority Leader of the Senate and the Minority Leader of the Assembly.
7. No member of the Commission shall be disqualified from holding any public office or employment, nor shall he or she forfeit any such office or employment by virtue of his or her appointment hereunder. Members of the Commission shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their functions hereunder. All members of the Commission shall serve at the pleasure of the Governor and vacancies shall be filled in the same manner as original appointments.

8. Every agency, department, office, division or public authority of this state shall cooperate with the Commission and furnish such information and assistance as the Commission determines is reasonably necessary to accomplish its purposes.

G I V E N under my hand and the
Privy Seal of the
State in the City of
Albany this twenty-
ninth day of May in
the year two thousand
seven.

BY THE GOVERNOR



Secretary to the Governor

