

BANKING/ FINANCE

Wall Street to Pay Hundreds of Millions More in WhatsApp Cases



JASON DOIY

Wells Fargo is among the firms that will pay hundreds of millions of dollars total in penalties for employees using unofficial communications such as WhatsApp to conduct business.

by Ben Bain

Wells Fargo & Co. and BNP Paribas SA are among firms that will pay hundreds of millions of dollars total in penalties for employees using unofficial communications such as WhatsApp to conduct business, the latest salvo in U.S. regulators' crackdown on how Wall Street keeps records.

Wells Fargo units agreed to pay \$125 million to the U.S. Securities and Exchange Commission and BNP will pay \$35 million, the regulator said on Tuesday. Meanwhile, the two lenders will pay \$75 million each over similar violations by their derivatives brokerage units, the Commodity Futures Trading Commission said.

In all, the CFTC announced penalties of \$260 million, while the SEC said that firms had agreed to pay it \$289 million.

Over the past several years, the SEC and CFTC have been cracking down on firms skirting regulatory scrutiny by using services such as WhatsApp or personal email addresses for work-related communications. Finance firms are required to scrupulously monitor com-

munications involving their business to head off improper conduct.

Regulators have said that failing to properly archive messages can make it harder to investigate wrongdoing.

On Tuesday, the SEC said that its investigation "uncovered pervasive and longstanding off-channel communications" at 11 firms. As part of the settlements, the companies admitted that their employees had used platforms like iMessage, WhatsApp, and Signal to talk business. The companies didn't maintain sufficient records, according to the SEC. The CFTC said it found similar violations.

Other notable firms that agreed to settle on Tuesday included units of Bank of Montreal, Mizuho Financial Group and Societe Generale SA.

The actions follow a string of similar high-profile cases released last September. At the time, the SEC announced \$1.1 billion in fines against firms including Bank of America Corp., Citigroup Inc. and Goldman Sachs Group Inc., while the CFTC said firms agreed to pay \$710 million in penalties.

Ben Bain reports for Bloomberg News.

US Bank Shares Drop After Moody's Cuts Ratings, Warns on Risks

by Hari Govind and Steve Dickson

U.S. bank stocks declined after Moody's Investors Service lowered its ratings for 10 small and midsize lenders and said it may downgrade major firms including U.S. Bancorp, Bank of New York Mellon Corp., State Street Corp., and Truist Financial Corp.

Higher funding costs, potential regulatory capital weaknesses and rising risks tied to commercial real estate are among strains prompting the review, Moody's said late Monday.

"Collectively, these three developments have lowered the credit profile of a number of U.S. banks, though not all banks equally," the rating company said.

Shares declined for firms that had their ratings cut, including M&T Bank Corp., down 3.2%, and Webster Financial Corp., which lost 1.3%. Moody's also adopted a "negative" outlook for 11 lenders, including PNC Financial Services Group, Capital One Financial Corp. and Citizens Financial Group Inc. Among those, PNC was down 2.2% and Capital One lost 2.4%.

Investors, rattled by the collapse of regional banks in California and New York this year, have been watching closely for signs of stress in the industry as rising interest rates force firms to pay more for deposits and bump up the cost of funding from alternative sources. At the same time, those higher rates are eroding the value of banks' assets and making it harder for commercial real estate borrowers to refinance their debts, potentially weakening lenders' balance sheets.

"Rising funding costs and declining income metrics will erode profitability, the first buffer against losses," Moody's wrote in a separate note explaining the moves. "Asset risk is rising, in particular for small and midsize banks with large CRE exposures."

Some banks have curbed loan growth, which preserves capital but also slows the shift in their loan mix toward higher-yielding assets, Moody's said.

Banks that depend on more concentrated or higher levels of uninsured deposits are more exposed to these pressures, especially banks with high levels of fixed-rate securities and loans.

Hari Govind and Steve Dickson report for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **COUNCIL ZONING MEETING** on **August 23, 2023 beginning at 6:00 PM** to consider a six (6) month moratorium on the processing of all applications and permits for proposed development in connection to Section 166.04151(7) of the Florida Statutes ("Live Local Act"). The City Council will consider this item for **SECOND READING**. The meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida, 33166**.

The City of Doral proposes to adopt the following Ordinance:

ORDINANCE No. 2023-24

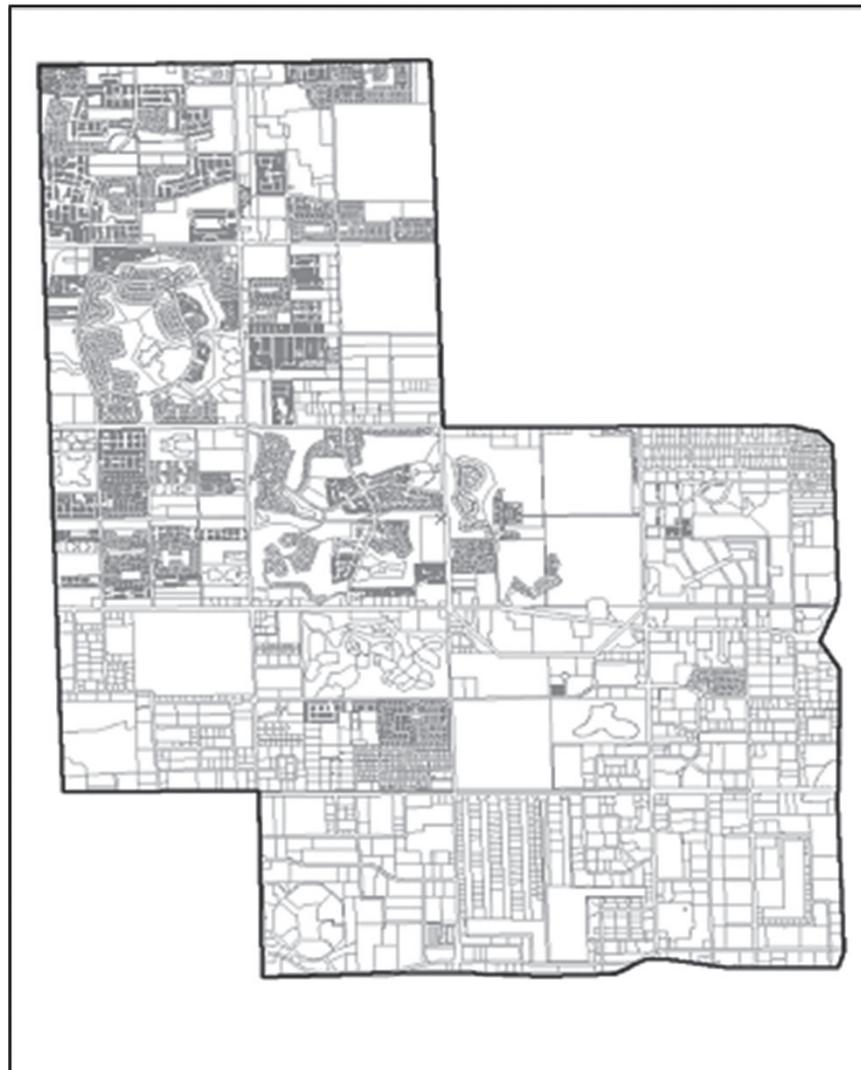
AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, ESTABLISHING A SIX (6) MONTH MORATORIUM ON THE ACCEPTANCE, PROCESSING, AND CONSIDERATION OF ALL APPLICATIONS FOR DEVELOPMENT ORDERS, DEVELOPMENT PERMITS, BUILDING PERMITS AND ZONING APPROVALS FOR PROPOSED DEVELOPMENT(S) AUTHORIZED UNDER SUBSECTION (7) OF SECTION 166.04151, FLORIDA STATUTES, FOR PROPERTY LOCATED WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY OF DORAL, FLORIDA; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 23-08-DOR-06

APPLICANT: City of Doral

REQUEST: The Mayor and City Councilmembers are requesting the establishment of a six-month moratorium on the acceptance, processing, and consideration of all applications for development orders, development permits, building permits and zoning approvals for proposed development(s) authorized under subsection (7) of section 166.04151, Florida Statutes.

Location Map



Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

In accordance with the Americans with Disabilities Act, any person who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

Connie Diaz, MMC
City Clerk
City of Doral