

**From:** [REDACTED]@gmail.com>

**Sent:** Tuesday, August 17, 2021 9:30 PM

**To:** Office-of-the-Secretary <office-of-the-secretary@frb.gov>

**Cc:** [REDACTED].org>; [REDACTED].org>

**Subject:** Request for Full Copy of, & Timely Comments On, Requesting Hearings & an Extension of the Comment Period On the Applications of South State Corporation to merge with Atlantic Capital Bancshares, Inc., and thereby indirectly acquire Atlantic Capital Ban...

NONCONFIDENTIAL // EXTERNAL

August 17, 2021

Via E-mail to Office-of-the-Secretary [at] [frb.gov](http://frb.gov)

Board of Governors of the Federal Reserve System  
Attn: Chair Powell, Secretary Misback  
20th Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Request for Full Copy of, & Timely Comments On, Requesting Hearings & an Extension of the Comment Period On the Applications of South State Corporation to merge with Atlantic Capital Bancshares, Inc., and thereby indirectly acquire Atlantic Capital Bank, NA

Dear Chair Powell, Secretary Misback and others in the FRS:

This is a request for a full copy of, and a timely first comment on, the Applications of South State Corporation to merge with Atlantic Capital Bancshares, Inc., and thereby indirectly acquire Atlantic Capital Bank, NA

As an initial matter, this is a request that the FRS immediately send by email to [REDACTED] all non-exempt portions of the applications / notices for which the Applicants have requested confidential treatment.

[REDACTED] has been tracking South State Bank NA:

The applicant's South State Bank NA in 2020 in Florida based on its disparate marketing made 5721 mortgage loans to whites, with 1019 denials to whites -- while making only 143 loans to African Americans, with 48 denials. This is far out of keeping with the demographics, and other lenders, in Florida - this is outrageous.

This is a pattern. South State Bank NA in 2020 in South Carolina based on its disparate marketing made 3048 mortgage loans to whites, with 537 denials to

whites -- while making only 133 loans to African Americans, with **fully 147 denials**. This is far out of keeping with the demographics, and other lenders, in South Carolina. The denials to African Americans are... outrageous.

Perhaps most relevant, South State is disparate in the state it is trying to make this acquisition to impose and expand its practices. South State Bank NA in 2020 in Georgia based on its disparate marketing made 4068 mortgage loans to whites, with 451 denials to whites -- while making only 494 loans to African Americans, with 120 denials. This is far out of keeping with the demographics, and other lenders, in Georgia - this is outrageous.

The comment period should be extended; evidentiary hearings should be held; and on the current record, the application should not be approved.

Please immediately send all requested information -- including a complete copy of the application, during the comment period -- and responses by e-mail to [REDACTED] [.org](#) and [REDACTED] [gmail.com](#) -- and if also by regular mail, to [REDACTED]

[REDACTED] Please also confirm receipt of this formal submission. If you have any questions, please immediately telephone the undersigned, at [REDACTED].

Very Truly Yours,

[REDACTED] Esq.  
Executive Director  
[REDACTED]

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**From:** [REDACTED]  
**Sent:** Tuesday, September 7, 2021 4:19 PM  
**To:** [REDACTED]@gmail.com; [REDACTED].org; [REDACTED].org  
**Cc:** [REDACTED]  
[REDACTED]  
**Subject:** SouthState response to 8/17/2021 Comment Letter

Mr. [REDACTED],

This email refers to the application by SouthState Corporation, Winter Haven, FL, to merge with Atlantic Capital Bancshares, Inc., and thereby acquire its subsidiary, Atlantic Capital Bank, N.A., both of Atlanta, GA, pursuant to Section 3(a)(3) and 3(a)(5) of the Bank Holding Company Act. Attached please find a response to your comments, a copy of which is attached.

Note that we will also forward our response to the Reserve Bank, the Board of Governors, and to the OCC.

Best regards,  
Nici



**V. Nicole Comer**  
Senior Vice President  
Deputy General Counsel

700 Gervais Street, Suite 400  
Columbia, SC 29201

**Office** 803.540.2443  
**Cell** 803.422.9395  
**[SouthStateBank.com](http://SouthStateBank.com)**



Beth DeSimone  
EVP, Chief Risk Officer  
1101 First Street South  
Winter Haven, FL 33880  
BDesimone@SouthStateBank.com

[REDACTED] Esq.  
Executive Director, [REDACTED]  
P.O. Box [REDACTED]  
[REDACTED]

September 7, 2021

Dear Mr. [REDACTED]:

This letter constitutes the response of SouthState Bank, N.A. (the "Bank") to the letter to the Board of Governors of the Federal Reserve System, dated August 17, 2021, requesting a complete copy of the application by SouthState Corporation to acquire Atlantic Capital Bancshares, Inc. and to the concerns raised therein concerning the Bank's marketing efforts and concerns that the Bank engages in disparate marketing and lending.

In the matter regarding the concerns of the Bank's disparate marketing, the Bank is committed to providing equal access to credit throughout our footprint. The Bank takes a multi-layered approach to ensure that marketing of credit products reach all communities within the Bank's Assessment Area and each application is underwritten without consideration of a prohibited basis. The Bank has undergone reviews by independent audit firms with reports dated June 30, 2020 and June 30, 2019 where marketing efforts have been reviewed. The reviews did not yield any fair lending concerns.

The Bank has a Fair Lending Working Group consisting of seasoned fair lending, community development, and marketing professionals that work with lenders, as well as external marketing partners, to identify radio, print, and digital strategies and opportunities to increase loan applications and originations in majority-minority communities. As part of the ongoing Compliance Management Program, these efforts are reviewed for compliance with applicable Fair Lending Laws in addition to ensuring that protected class individuals are not unintentionally excluded from marketing efforts. In addition to the mentioned marketing avenues, the Bank employs Community Development Officers and a Fair Lending Impact Advisor who work directly with community-based organizations and centers of influence in majority-minority and low-to-moderate income areas to identify community needs and opportunities to provide credit and other financial services. Additionally, in 2021 the Bank created a new position, Director of Corporate Stewardship who is responsible for the social component of the Bank's environmental, social, governance initiatives, which includes diversity, equity, and inclusion efforts.

In the matter regarding the concerns of the Bank's denial rates, the Bank annually engages an independent audit firm and conducts quarterly internal comparative file reviews of approved/declined loans to identify if there is inequitable pricing or underwriting of loans based on the prohibited basis found under the Equal Credit Opportunity Act and/or the Fair Housing Act. Results of each of these comprehensive

evaluations and assessments indicated no evidence of disparate treatment or impact. In addition, the Bank has been subject to a recent Fair Housing Act exam. There is no evidence of disparate treatment or impact on a prohibited basis.

The Bank is committed to fair and equitable access to credit. The Bank continues to meet the community's credit needs through community development loans and investments; financial education, including homebuyer education; and feedback and enhancement of credit products to satisfy changing community needs. If you have further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth DeSimone". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Beth DeSimone**

EVP, Chief Risk Officer & General Counsel

**From:** [REDACTED].org  
**To:** [Nici Comer](#)  
**Cc:** [REDACTED].com; [REDACTED].org; [Beth DeSimone](#); [Rachel Miller](#); [Sheila Cantrell](#)  
**Subject:** [EXTERNAL] Re: SouthState response to 8/17/2021 Comment Letter  
**Date:** Tuesday, September 7, 2021 7:00:47 PM

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Thanks for your response, which concludes "If you have further questions, please do not hesitate to contact me."

Given the disparities [REDACTED] has identified in South State's HMDA data, and your response [REDACTED] ns:

You wrote, "The Bank has undergone reviews by independent audit firms with reports dated June 30, 2020 and June 30, 2019 where marketing efforts have been reviewed. The reviews did not yield any fair lending concerns."

**Question:** Does this mean that the firms used in 2019 and 2020 were different? Given the disparities, and the findings or yield, will you identify them?

Relatedly, you wrote: "the Bank annually engages an independent audit firm and conducts quarterly internal comparative file reviews.. Results of each of these comprehensive evaluations and assessments indicated no evidence of disparate treatment or impact." Is this by the same firm or a different one? What is South State's explanation, then, of the disparities identified?

You wrote: "in 2021 the Bank created a new position, Director of Corporate Stewardship who is responsible for the social component of the Bank's environmental, social, governance initiatives, which includes diversity, equity, and inclusion efforts." Has the position been filled? When?

Can you describe the work accomplished in each of the listed fields or efforts?

Thanks,

[REDACTED] Esq., Executive Director

[REDACTED] / [REDACTED]

On 07/20/2021 16:19, Nici Comer wrote:

Mr. [REDACTED]

This email refers to the application by SouthState Corporation, Winter Haven, FL, to merge with Atlantic Capital Bancshares, Inc., and thereby acquire its subsidiary, Atlantic Capital Bank, N.A., both of Atlanta, GA, pursuant to Section 3(a)(3) and 3(a)(5) of the Bank Holding Company Act. Attached please find a response to your comments, a copy of which is attached.

Note that we will also forward our response to the Reserve Bank, the Board of Governors, and to the OCC.

Best regards,

Nici

V. Nicole Comer

Senior Vice President

Deputy General Counsel

700 Gervais Street, Suite 400

Columbia, SC 29201

Office Cell

803.540.2443

803.422.9395

[SouthStateBank.com](http://SouthStateBank.com) [1]\_\_

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Confidentiality Note: This email is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Unauthorized use, dissemination, distribution or copying of this email or the information in it by anyone other than the intended recipient, is strictly prohibited. If you have received this email in error, please notify the sender immediately and destroy the original message, any attachments to it and all copies. Please refer to SouthState's Privacy Notice [2] for important information on how we manage your information.

Links:

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[1] <http://www.southstatebank.com/>

[2] <https://www.southstatebank.com/global/online-privacy-policy>



Beth S. DeSimone  
EVP | Chief Risk Officer | General Counsel  
1101 First Street South  
Winter Haven, FL 33880  
BDesimone@SouthStateBank.com

September 13, 2021

[REDACTED], Esq.  
[REDACTED]  
P.O. Box [REDACTED]  
[REDACTED]

Dear Mr. [REDACTED]

Thank you for allowing us the opportunity to provide additional information. Please accept this letter as a response to your follow up questions provided September 7, 2021.

In October 2020, SouthState appointed LeDon Jones to serve as the Director of Corporate Stewardship, whose responsibilities include, among others, enterprise diversity, environmental and social governance, community development, and management development. Since his appointment, he has established SouthState's Diversity and Inclusion ("D&I") Council which is responsible for driving SouthState's D&I strategic plan throughout the entire enterprise. The Council's members include executive and senior managers from different business units across the organization. Through his leadership, Mr. Jones was instrumental in publishing SouthState's inaugural Corporate Social Responsibility report, outlining the impact SouthState's outreach efforts had on both the communities we serve and our employees in 2020. We invite you to review the report by visiting [Corporate Social Responsibility \(CSR\) Report | SouthState Bank](#). In 2021, the Bank has further engaged and developed our relationships with Minority Owned Institutions via traditional forms of investment and creative engagements involving a \$500,000 equity investment in Optus Bank and future plans of partnership. Because SouthState's D&I initiatives include establishing programs that support personnel diversity to create an internal workforce that reflects the communities we serve, our Commercial Banking Internship and Management Training programs both fall under the Corporate Stewardship umbrella. The objective of these programs is to recruit talent from a diverse pool of students from local colleges and universities. In the 2021 internship class, 40% of the interns were gender or racially/ethnically diverse, 30% of the interns were women, and 30% of the interns were racial/ethnic minorities.

With respect to the comparative file review and the independent audit firms, SouthState used different firms in 2019 and 2020. The use of two different firms was a result of consolidating third party service providers and modifying the scope of such audits following the merger of CenterState Bank, N.A. and South State Bank in June 2020. In each case, the scope of work included reviewing files to identify instances of disparate treatment between protected class and control group applicants. As stated in our initial response, after applying customary underwriting criterion and reviewing credit files, no evidence of disparate treatment was identified.

We trust these responses resolve your additional questions.

Sincerely,

**Beth S. DeSimone**  
EVP, Chief Risk Officer and General Counsel



**From:** [Beth DeSimone](#)  
**To:** [REDACTED]  
**Cc:** [Nici Comer](#)  
**Subject:** FW: [REDACTED] comment (OCC)  
**Date:** Monday, September 13, 2021 10:25:08 AM  
**Attachments:** [image001.png](#)  
[322891\\_South State Bank Public 9-4-21 Comment.pdf](#)

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**Classification: INTERNAL**

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**From:** Moss, Stephanie <Stephanie.Moss@occ.treas.gov>  
**Sent:** Monday, September 13, 2021 10:21 AM  
**To:** Beth DeSimone <bdesimone@southstatebank.com>; Nici Comer <Nici.Comer@southstatebank.com>  
**Cc:** [REDACTED]  
**Subject:** [EXTERNAL] [REDACTED] comment (OCC)

This message was sent securely using Zix®

Good morning,

Attached is a comment the OCC received on 9/4/21 from [REDACTED] regarding the proposed merger of South State Bank (Bank) with Atlantic Capital Bank. Please place the comment in the Bank's public file. A response is not required. Thank you.

Stephanie

**Stephanie N. Moss – Sr. Licensing Analyst**

**Office of the Comptroller of the Currency | 400 7<sup>th</sup> St. SW | Mail Stop 10E-2 | Washington, DC 20219  
202-549-1635**



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**From:** [Moss, Stephanie](#)  
**To:** [Moss, Stephanie](#)  
**Subject:** [REDACTED] Public Comment 9-4-21  
**Date:** Wednesday, September 8, 2021 11:16:25 AM

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

[REDACTED]  
Sent: Saturday, September 4, 2021 4:15 PM  
To: Southern District Licensing <so.licensing@occ.treas.gov>

[REDACTED]  
Subject: [EXTERNAL][Sender\_Unverified] Re: Request for Full Copy of, & Timely Comments On, Requesting Hearings & an Extension of the Comment Period On the Applications of South State to acquire Atlantic Capital Bank, NA

September 4, 2021

By Email to SO.Licensing@occ.treas.gov

OCC Southern District Office  
Director for District Licensing  
500 North Akard Street, Suite 1600 Dallas, TX 75201

Re: Request for Full Copy of, & Timely Comments On, Requesting Hearings & an Extension of the Comment Period On the Applications of South State to acquire Atlantic Capital Bank, NA

Dear Director for District Licensing and others in the OCC:

This is a request for a full copy of, and a timely first comment on, the Applications of South State to merge with Atlantic Capital Bank, NA

As an initial matter, this is a request that the OCC immediately send by email to [REDACTED] all non-exempt portions of the applications / notices for which the Applicants have requested confidential treatment.

[REDACTED] has been tracking South State Bank NA:

The applicant's South State Bank NA in 2020 in Florida based on its disparate marketing made 5721 mortgage loans to whites, with 1019 denials to whites -- while making only 143 loans to African Americans, with 48 denials. This is far out of keeping with the demographics, and other lenders, in Florida - this is outrageous.

This is a pattern. South State Bank NA in 2020 in South Carolina based on its disparate marketing made 3048 mortgage loans to whites, with 537 denials to whites -- while making only 133 loans to African Americans, with fully 147 denials. This is far out of keeping with the demographics, and other lenders, in South Carolina. The denials to African Americans are... outrageous.

Perhaps most relevant, South State is disparate in the state it is trying to make this acquisition to impose and expand its practices.

South State Bank NA in 2020 in Georgia based on its disparate marketing made 4068 mortgage loans to whites, with 451 denials to whites -- while making only 494 loans to African Americans, with 120 denials. This is far out of keeping with the demographics, and other lenders, in Georgia  
- this is outrageous.

The comment period should be extended; evidentiary hearings should be held; and on the current record, the application should not be approved.

Please immediately send all requested information -- including a complete copy of the application, during the comment period -- and responses by e-mail to [REDACTED] and [REDACTED] -- and if

also by regular mail, to [REDACTED]

[REDACTED] Esq. [REDACTED] Please also confirm receipt of this formal submission. If you have any questions, please immediately telephone the undersigned, at [REDACTED]

Very Truly Yours,

[REDACTED]  
Executive Director  
[REDACTED]



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

September 13, 2021

Mr. [REDACTED].  
Executive Director

[REDACTED]  
P.O. Box [REDACTED]  
[REDACTED]

Dear Mr. [REDACTED]:

This concerns your request dated August 17, 2021, for an extension of the public comment period on the application filed under the Bank Holding Company Act by South State Corporation, Winter Haven, Florida, to merge with Atlantic Capital Bancshares, Inc., and thereby acquire its subsidiary, Atlantic Capital Bank, National Association, both of Atlanta, Georgia. The comment period on the application is scheduled to close on September 20, 2021.

Based on all the facts of record, acting pursuant to authority delegated by the Board under 12 CFR 265.5(a)(2), I have determined to extend the period for receiving your comments on the application to the close of business on Monday, September 27, 2021. Please note that any comments received after that date will not be made a part of the record of this case unless the Board, in its sole discretion, determines to consider such late comments.

Sincerely yours,

*(Signed) Ann E. Misback*

Ann E. Misback  
Secretary of the Board

cc: Beth S. DeSimone  
South State Corporation