

Newspoints

[B.E. 100s]

WALL STREET COMES UPTOWN

Deal brings investment services to black-owned bank

NEW YORK-BASED CARVER FEDERAL SAVINGS BANK AND MERRILL LYNCH RECENTLY announced an alliance in which the global investment firm will make its wealth management products and services available to Carver customers. “The folks that live on our blocks don’t often interact with Wall Street,” says Deborah C. Wright, chairman and chief executive officer of Carver. “Merrill Lynch has built a visible presence right here in the neighborhood, and that means that our folks don’t have to go down to Wall Street; Wall Street has come to them.”

Merrill Lynch will have two financial advisers located at investment centers in Carver’s Harlem and Fort Greene, Brooklyn, branches. The investment centers will be “considered Merrill Lynch branches, and they’re distinct from the rest of the bank,” says Colbert Narcisse, chief operating officer of Merrill’s Global Private Client group and one of **BE**’s 75 Most Powerful Blacks on Wall Street.

The deal evolved from a breakfast meeting last year between Wright and Merrill Lynch Chairman and Chief Executive Officer E. Stanley O’Neal, who was also featured on **BE**’s Wall Street list. “He and I were just catching up, and I mentioned this as something that would be of benefit to the African American community here in New York,” says Wright, who would not disclose the financial terms of the deal.

Carver’s customers represent a significant business opportunity for Merrill Lynch, which has client assets of approximately \$1.6 trillion. “There’s been a tremendous amount of wealth creation in the communities that they’ve been serving, predominantly in the form of real estate,” says Narcisse. “These markets are typically overlooked.”

If successful, Narcisse says the arrangement can serve as a springboard for future collaborations.

—Tamara E. Holmes

O’NEAL AND WRIGHT
SPEARHEAD ALLIANCE.

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A GOLDEN STATE OPPORTUNITY

Piedmont Investment Advisors snags investment
from country’s largest pension fund

PIEDMONT INVESTMENT ADVISORS L.L.C. IS QUICKLY MOVING UP THE RANKS of the nation’s largest black-owned asset managers. The Durham, North Carolina-based firm recently received a \$100 million investment from the California Public Employees’ Retirement System (CalPERS), the nation’s largest public pension fund, boosting Piedmont’s assets under management to \$1.5 billion in March.

Piedmont was selected after CalPERS hired investment management and consulting firm Legato Capital Management L.L.C. as a strategic adviser. Legato’s job was to identify a money management firm with less than \$2 billion in public equity or high-yield securities to serve as one of the portfolio managers for CalPERS Manager Development Program II. MDP II is specifically designed to tap unexplored potential in the emerging manager market.

CalPERS and Legato also made an undisclosed, joint equity capital contribution, giving them a minority, non-controlling stake in Piedmont. “Piedmont has a very solid investment process as well as a highly talented team of investors,” says Victor Hymes, Legato’s CEO. Eight of the country’s 20 largest plan sponsors are clients of Piedmont.

—Marcia A. Wade

ISAAC GREEN,
PIEDMONT’S
FOUNDER &
CEO, SAYS DEAL
WILL GROW
THE COMPANY.