



DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

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Statement of Emil Henry Nominee for Assistant Secretary of the Treasury for Financial Institutions U.S. Department of the Treasury before the Senate Committee on Banking, Housing, and Urban Affairs

Chairman Shelby, Ranking Member Sarbanes and Members of the Committee, thank you for the opportunity and privilege to appear before you today to discuss my nomination to become the Assistant Secretary of the Treasury for Financial Institutions.

Before my formal statement, and with your indulgence, I would very much like to introduce members of my family here with us today. My wife Jody, was my college sweetheart at Yale where she and I graduated together. She is much smarter than I am, she's my best friend and she's a full-time mother. With her are our two daughters: Madeleine 13, and Parker, 12. Our third child and Parker's twin brother, Ames, is pursuing his dream at a tennis academy in Florida.

I want to begin by expressing my thanks to President Bush for nominating me for this important position. I am truly honored to have his confidence and, if confirmed, I will focus daily upon earning and re-earning the trust he has placed in me. I would also like to thank Secretary Snow, Under Secretary Randal Quarles and other fine individuals the President has nominated to the Treasury for their support. If confirmed, I look forward to working with them on the many important issues currently before the Treasury Department, and many more that are certainly to come.

My thanks also go to my friend and Congresswoman Sue Kelly for taking the time to come here today, and for her thoughtful and kind introduction. Representative Kelly and I share a beautiful hometown, Katonah, New York. Her constituents, including myself, hold her in high esteem for her attention to her District and for her measured wisdom on the House Financial Services Oversight and Investigations Subcommittee and her leadership on terrorist financing issues.

Lastly, I would like to thank my parents for inspiring me to enter public service. My dad was Chairman of the FCC under Presidents Kennedy and Johnson and my mother headed the Women's Office of the SBA for the Clinton Administration. From the time I could recognize my own name, I have believed that public service is not only a high calling but a natural and necessary part of a productive life.

I come before you today in the long-standing tradition of one who has spent his entire career in the private sector before being called to service. As my resume shows, I have no formal public service experience. Yet, I do have over 20 years experience on Wall Street and in the financial community, and much of my time has been spent at a senior level in some of the more sophisticated and complex sectors of the capital markets.

All of the firms I have been associated with have the highest regard of their peers and of the financial community. At First Boston, my first job after Yale, I was fortunate to be picked to work in the Capital Markets Division which, at the time, was at the forefront of the advent of early derivatives such as interest rate swaps, options and futures. At Morgan Stanley, I was a member of a team charged with building a pre-eminent principal investment business involving management buyouts, equity and debt financings, mergers, acquisitions and bank financings. For the past 15 years I have been at Gleacher Partners where I am now Managing Director and also Chairman of our core investment business and a member of our Investment Committee. Our businesses invest in a sophisticated array of alternative investments including private mezzanine debt and private equity and hedge funds where our investments are exposed to most of the products and securities offered in the capital markets.

I believe my experience has given me a broad and deep understanding of the activities of the financial institutions that participate in today's increasingly complex and fast moving capital markets. As founder and Chairman of an investment business, I appreciate the essential importance of safety and soundness in our markets and institutions, I understand the value of disclosure and transparency, and I am sensitive to the importance of balancing the costs and benefits of regulation.

If confirmed, I believe my role as Assistant Secretary would benefit from my extensive experience and I would hope to complement the extraordinary reservoir of talent at the Treasury, and, in my judgment, the most effective organizations are those populated by individuals whose skills and experience complement each other. I would also look forward to working closely with members of this Committee and the House Financial Services Committee on crucial issues such as GSE reform and terrorism risk insurance. I will also devote myself to the oversight of the critical infrastructure of our nation's financial institutions. The recent disaster in the Gulf States highlights the vital need to be prepared for natural or man-made disasters, and if confirmed, I expect to spend a significant amount of time focusing on the preparedness of the U.S. financial system.

Thank you again for the honor and privilege to appear before you. I would be delighted to answering any questions you may have.