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## Retired BB&T chairman Allison may be candidate for Treasury secretary

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John Allison, the retired chairman and chief executive of BB&T Corp., may be on the short list of candidates for U.S. Treasury secretary in the Trump administration.

Bloomberg News reported Wednesday that Allison, 68, is one of five potential candidates.

Three of the candidates have hands-on financial-services experience, including Steven Mnuchin, an ex-Goldman Sachs Group Inc. partner, and Jonathan Gray of Blackstone Group LP. U.S. Rep. Jeb Hensarling, R-Texas, also remains a candidate.

Allison returned in November 2015 to his position as the executive in residence at the Wake Forest University School of Business after serving three years as the president and chief executive of the Cato Institute, a libertarian public policy research organization, in Washington.

Allison could not be reached for comment Wednesday.

Allison is likely being considered because his stance as a free-market and author Ayn Rand devotee is popular with some conservative-leaning economists and tea party supporters.

He served as BB&T's chairman from 1989 to the end of 2009 and as its chief executive from 1989 to the end of 2008.

He received praise in his final years as BB&T's top executive for his opposition to the use of eminent domain for some public development projects, and to accepting Troubled Asset Relief Program funding from the U.S. Treasury.

BB&T eventually took \$3.1 billion in TARP money after some arm-twisting by regulators, but it was one of the first large banks to repay the obligation.

Allison has been very vocal in opposing most of the heightened financial services regulations established by the Dodd-Frank Act, such as putting strict capital requirements on banks, requiring semiannual stress test evaluations for how the banks would handle a severe economic downturn and creating the Consumer Financial Protection Bureau.

President-elect Donald Trump has identified the act as one he plans to aggressively target, if not gut, as part of easing regulatory burdens on banks.

BB&T, however, has benefited from the act since Allison's retirement through buying banks willing to sell, most notably National Penn Bancshares Inc., because of the higher costs of adhering to the new regulations.

Those same attributes have some financial analysts saying Allison might be a better fit with the Federal Reserve. He has spoken out against its inflationary policies.

“Anyone familiar with how well BB&T weathered the financial crisis, especially in comparison with other large banks, should be thrilled that John Allison’s name has been mentioned as a potential Treasury secretary,” said Mitch Kokai, a policy analyst with John Locke Foundation, a conservative research group in North Carolina.

Although Allison retired as BB&T’s chief executive during the height of the 2007-10 Great Recession, the bank was one of very few superregional and national banks that remained profitable during every quarter.

“The federal government faces plenty of financial challenges,” Kokai said, “and the new Trump administration would reap huge advantages from having someone with Allison’s expertise helping to address those challenges.”

Allison told the Winston-Salem Journal in July 2012 that he was not looking beyond a role with the Wake Forest business school when Cato Institute officials asked him to take its top executive posts as part of achieving a compromise among investors.

He said his passion remained focused on “defending individual rights and free markets.”

Allison is a devotee of Rand and the conservative philosophical theory she espoused called objectivism.

The theory extols rational individualism, creativity, independent thinking and a limited role for government as a protector of peace.

“Libertarianism is a bigger umbrella than objectivism,” Allison said. “That doesn’t mean everyone has to share my beliefs, although the vast majority of libertarians have been influenced by Rand.”

Tony Plath, a finance professor at UNC Charlotte, said Allison would be a strong choice for any senior-level policy-setting role in the Trump administration.

“Allison would bring a sorely needed, extreme dose of common sense and managerial judgment, valuable and successful senior-level business experience from down here in flyover country, a principled and disciplined personal and professional life, and a razor-sharp intellect, a keen and inquisitive mind, and a diverse and versatile academic background to the federal government,” Plath said.

He said having Allison as Treasury secretary and U.S. Sen. Elizabeth Warren, D-Mass., representing the legislative branch would “bring a hugely needed sense of proportion, balance and reality to the area of prudential regulatory policy with respect to banks.”