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MEMORANDUM

October 17, 2011

To Our Clients and Friends

Re: Federal Reserve Board Adopts Final Rule on Resolution Plans Under Dodd-Frank

The Federal Reserve Board (“Board”) has approved a rule implementing the provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) governing resolution plans that are required from nonbank financial companies supervised by the Board and bank holding companies with assets of \$50 billion or more. The Federal Deposit Insurance Corporation (“FDIC”) previously approved this final rule on September 13, 2011. The rule is effective November 30, 2011.

The Dodd-Frank Act requires the FDIC and the Board to require covered companies to report periodically to the Board, the FDIC and the Financial Stability Oversight Council on the company’s plan for a rapid and orderly resolution under the Bankruptcy Code in the event of material financial distress or failure. The rule adopted by the Board (and the FDIC) requires a covered company to describe its plan of how it could be resolved in a bankruptcy proceeding without posing a systemic risk to the financial system. The rule establishes specific requirements for resolution plans, including a strategic analysis of the plan’s components, a description of the range of specific actions to be taken in the resolution and analyses of the company’s organization, material entities, interconnections and interdependencies.

The rule provides that covered companies with \$250 billion or more in total nonbank assets must file an initial resolution plan by July 1, 2012. Covered companies with \$100 billion or more in total nonbank assets must file an initial resolution plan by July 1, 2013. The remaining covered companies are required to file resolution plans by December 31, 2013.

Updated resolution plans are required to be filed annually. Covered companies are also required to provide notice to the FDIC and the Board no later than 45 days after an event that has, or could reasonably be foreseen to have, a material effect on the resolution plan of the company.

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A copy of the final rule can be found at our website at
<http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox
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