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**MEMORANDUM**

March 31, 2011

To Our Clients and Friends

Re: Proposed Rule Regarding Resolution Plans and Credit Exposure Reports

The Federal Deposit Insurance Corporation (“FDIC”) and the Federal Reserve Board (“Board”) are requesting comment on a proposed rule which requires certain organizations to report their resolution plans and significant credit exposures under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). Comments are due 60 days after publication in the *Federal Register*.

Under the Dodd-Frank Act, bank holding companies with assets of \$50 billion or more and nonbank financial companies supervised by the Board (“Covered Companies”) are required to submit plans for an orderly resolution under the Bankruptcy Code in the event of material financial distress at or failure of the Covered Company to the Board, FDIC and the Financial Stability Oversight Council.

Covered Companies will be required to identify and map their business lines to legal entities and provide integrated analyses of their corporate structure, funding, capital and cash flows and domestic and other key components of their business operations. In this regard, a resolution plan is required to include the following information:

- Executive summary identifying the plan’s key elements and any material changes
- Strategic analysis of the resolution plan, including how the plan can be implemented
- Description of the corporate governance structure for resolution planning
- The company’s overall organization structure and related information
- Management information systems, including systems and applications for risk management, accounting, and financial and regulatory reporting

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- Description of the interconnections and interdependencies among the company and its material entities and affiliates
- Supervisory and regulatory information

In addition, a Covered Company is required to submit credit exposure reports quarterly. Such reports are to include the nature and extent of credit exposures to significant bank holding companies and significant nonbank financial companies, as well as the credit exposures of such entities to the company.

A copy of the proposed 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, Heidi Wicker or Lauren Bianchini at (202) 776-0700.