

July 2, 2018

## Proposed Resolution Planning Guidance for U.S. G-SIBs

---

### Federal Reserve and FDIC Seek Comment on Proposed Guidance for Future Resolution Plan Submissions by the Eight U.S. Global Systemically Important Banks

---

#### SUMMARY

On June 29, 2018, the Federal Reserve and the Federal Deposit Insurance Corporation (together, the “Agencies”) proposed for public comment guidance (the “Proposed Guidance”)<sup>1</sup> with respect to future resolution plan submissions under Title I of the Dodd-Frank Act by the eight U.S. Global Systemically Important Banks (“U.S. G-SIBs”), including the plan submissions that are due on July 1, 2019.<sup>2</sup> The Proposed Guidance updates guidance previously issued by the Agencies, most notably the guidance the Agencies issued in 2016 for the 2017 annual resolution plan submissions by the U.S. G-SIBs (the “2016 Guidance”).<sup>3</sup> In contrast to the 2016 Guidance – which was issued in final form without any opportunity for public comment – the Proposed Guidance follows last year’s published recommendation by the U.S. Department of the Treasury (the “Treasury”) that resolution planning guidance should be subject to a public notice and comment process.<sup>4</sup> More generally, the Proposed Guidance appears to reflect a regulatory approach that, because the U.S. G-SIBs have now developed robust resolution plans, the overall process can be more transparent.

More broadly, the Proposed Guidance appears to represent the first element in a series of possible releases by the Agencies – and the Federal Reserve in particular – that would address the broad set of issues touched upon by Federal Reserve Vice Chairman for Supervision Randal Quarles in a recent speech at the Harvard Law School Symposium on Ring-Fencing in the Global Banking System.<sup>5</sup> In that speech, Vice Chairman Quarles expressed openness to a number of adjustments to aspects of the U.S. resolution planning regime that require the pre-positioning of capital and liquidity resources within

## SULLIVAN & CROMWELL LLP

U.S. G-SIB groups and also certain non-U.S. G-SIB groups. In signaling this, Vice Chairman Quarles stated:

We are interested in views from the firms and the public on how the [capital and liquidity pre-positioning] regimes can be improved, and we expect to invite public comment on our living will guidance for U.S. and foreign firms in the near future. In addition, we are currently weighing the costs and benefits of our current approach of directing firms to determine the appropriate amount of prepositioned capital and liquidity. We are also considering whether formalizing resolution capital and liquidity requirements through a rulemaking process would improve the predictability and transparency of our approach.<sup>6</sup>

The Proposed Guidance seeks comment on the capital and liquidity pre-positioning framework that was contained in the 2016 Guidance, but does not include any proposed alteration to those aspects of the prior guidance. Against the backdrop of the statements by Vice Chairman Quarles quoted above, it remains to be seen whether the absence of revisions to the pre-positioning framework in the Proposed Guidance reflects a determination by the Agencies that it would be preferable, as a procedural matter, to amend the framework through future proposal of a formal rule, as opposed to written guidance. If undertaken, such rulemaking might conceivably be done as part of a package that would include revisions to the total loss-absorbing capacity (TLAC) requirements currently imposed on the U.S. G-SIBs and certain non-U.S. G-SIBs.<sup>7</sup>

---

## OVERVIEW

Overall, the substantive content of the Proposed Guidance is effectively unchanged relative to the 2016 Guidance in the areas of:

- capital;
- liquidity;
- governance mechanisms;
- collateral management;
- management information systems;
- shared and outsourced services; and
- legal entity rationalization criteria.

The proposing release expressly invites comment on the full scope of the Proposed Guidance, but highlights the fact that as a result of the Agencies' review of U.S. G-SIBs' most recent resolution plan submissions,<sup>8</sup> the Agencies have identified the following four areas where more work may be necessary to enhance the resolvability of U.S. G-SIBs:

- payment, clearing and settlement (PCS) activities;
- derivatives and trading activities;
- intra-group liquidity; and
- internal loss-absorbing capacity.

## SULLIVAN & CROMWELL LLP

The Proposed Guidance limits its proposal of new substantive content to the first two categories: the portions of the guidance that address PCS activities and derivatives and trading activities. With respect to the latter two categories of guidance, the proposing release states that “[t]he Agencies intend to provide additional information on the other two areas: intra-group liquidity and internal loss-absorbing capacity,”<sup>9</sup> but does not provide any indication as to when such additional information may be provided.

The section of the Proposed Guidance that addresses liquidity in resolution remains unchanged from the 2016 Guidance and requires detailed modeling of the effect of “inter-affiliate funding frictions” on liquidity availability in resolution.<sup>10</sup> On this topic, the proposing release states in a potentially significant footnote that:

The Agencies are currently taking steps to better understand the purpose and treatment of the firms’ inter-affiliate transactions. The Agencies do not expect the firms to make major changes to their RLAP [i.e., Resolution Liquidity Adequacy and Positioning] and RLEN [i.e., Resolution Liquidity Execution Need] models until after the Agencies have completed this review and provided further feedback.<sup>11</sup>

The precise form and timing of this feedback is not indicated, but it is possible that the effect of such feedback on the ultimate output of these resolution liquidity models (and associated liquidity-based constraints) could be significant in light of the stringency of the liquidity-related aspects of the 2016 Guidance and the role the 2016 Guidance has played in determining U.S. G-SIBs’ liquidity needs.<sup>12</sup>

Comments on the Proposed Guidance are due 60 days after publication in the *Federal Register*, which will presumably be approximately 9 to 10 months prior to the current July 1, 2019 deadline for U.S. G-SIBs to file their resolution plans.<sup>13</sup> It remains to be seen whether there will be any intervening proposals in the coming months with respect to TLAC or capital and liquidity pre-positioning requirements in resolution or how any such proposals might affect the scope and content of the 2019 plans.

Although the Proposed Guidance is not applicable to non-U.S. G-SIBs, the Agencies in the future will likely propose separate guidance that will apply to the next set of resolution plans to be filed by certain non-U.S. G-SIBs, which will update the guidance applicable to such non-U.S. G-SIBs issued by the Agencies in March 2017, and will presumably take into account the results of the Agencies’ review of the plans that were required to be submitted by such filers by July 1, 2018.<sup>14</sup>

As a matter of format, the Proposed Guidance simply revises the 2016 Guidance and does not bring all resolution planning requirements applicable to U.S. G-SIBs together in a single document, although the Agencies request comment on whether all such guidance should be consolidated.<sup>15</sup> The Proposed Guidance does not address other proposals made by the Treasury to improve the regulatory approach to resolution planning, such as adjusting the resolution plan submission frequency from one to two years or improving timelines for Agency feedback.<sup>16</sup>

## SULLIVAN & CROMWELL LLP

The remainder of this memorandum focuses on describing the revisions that have been specifically proposed to the sections addressing PCS services and derivatives and trading activities. The Proposed Guidance with respect to PCS services largely codifies resolution planning practices that the Agencies observe to have been adopted in response to the 2016 Guidance. The Proposed Guidance with respect to derivatives and trading activities for dealer firms (defined below) updates and formalizes the expectations of the Agencies with respect to (i) booking practices, (ii) inter-affiliate risk monitoring and controls, (iii) portfolio segmentation and forecasting, (iv) prime brokerage customer account transfers and (v) derivatives stabilization and de-risking strategy. At the same time, the Proposed Guidance eliminates the requirements for separate passive and active wind-down scenario analyses, the completion of agency-specified data templates and development of rating agency playbooks.

For convenience, a comparison of the text of the 2016 Guidance against the Proposed Guidance is linked to this memorandum: <https://www.sullcrom.com/files/upload/Comparison-of-the-2016-Guidance-against-the-Proposed-Guidance.pdf>

---

### I. PAYMENT, CLEARING AND SETTLEMENT SERVICES

#### A. INTRODUCTION

Existing resolution plan guidance requires each U.S. G-SIB's resolution plan submission to describe arrangements to facilitate continued access to PCS services through the full course of the firm's resolution.<sup>17</sup> In the release accompanying the Proposed Guidance, the Agencies express the view that the U.S. G-SIBs have now developed the capabilities to identify and consider the risks associated with continuity of access to PCS services in resolution.<sup>18</sup> According to the proposing release, the most recent resolution plans filed by the U.S. G-SIBs described methodologies to identify key financial market utilities (FMUs) and agent banks based on quantitative and qualitative criteria and included playbooks for the identified key FMUs and agent banks.<sup>19</sup> The Proposed Guidance updates and clarifies the Agencies' expectations with respect to the required capability to maintain continued access to PCS services.<sup>20</sup> In the Proposed Guidance, the Agencies set forth the concept of a required framework that, as further discussed below, incorporates the identification of key clients, FMUs and agent banks, the development of a playbook for each key FMU and agent bank, and consideration of the U.S. G-SIB's role as a user or provider of PCS services.<sup>21</sup> After considering the U.S. G-SIBs' resolution plan submissions to date, the Agencies believe the U.S. G-SIBs generally have in place the methodologies and capabilities necessary to address these expectations.<sup>22</sup>

The Proposed Guidance is generally in alignment with the guidance issued in 2017 by the Financial Stability Board with respect to G-SIB continuity of access to financial market infrastructures, in that both sets of guidance contemplate that a G-SIB should consider how to maintain access to such services in resolution, whether it acts as a provider or receiver of PCS services.<sup>23</sup>

# SULLIVAN & CROMWELL LLP

## B. PCS FRAMEWORK

The Proposed Guidance states that U.S. G-SIBs should demonstrate their capabilities for maintaining continued access to PCS services through maintenance of a framework that:

- identifies key clients,<sup>24</sup> FMUs and agent banks using both quantitative<sup>25</sup> and qualitative criteria;
- maps material entities, critical operations, core business lines and key clients to both key FMUs and agent banks; and
- develops a playbook for each key FMU and agent bank that reflects the U.S. G-SIB's role(s) as a user and/or provider of PCS services.<sup>26</sup>

The Proposed Guidance provides that the framework implemented by each U.S. G-SIB should consider direct relationships (for example, the U.S. G-SIB's direct membership in an FMU, the U.S. G-SIB's contractual relationship with an agent bank, or the extent to which the U.S. G-SIB provides key clients with critical PCS services through its own operations as a provider of PCS services) as well as indirect relationships (for example, the U.S. G-SIB provides its client with access to the relevant FMU or agent bank through the U.S. G-SIB's own membership in or relationship with that FMU or agent bank).<sup>27</sup>

## C. PLAYBOOKS

The Proposed Guidance states that U.S. G-SIBs are expected to develop a playbook for each key FMU and agent bank that addresses financial considerations and operational detail that would assist the U.S. G-SIB and its clients in maintaining continued access to PCS services in the period leading up to and including the U.S. G-SIB's resolution.<sup>28</sup> Each playbook should provide analysis of the financial and operational impact to the U.S. G-SIB's material entities and key clients that would stem from potential loss of access to the FMU or agent bank.<sup>29</sup> Each playbook also should discuss any possible alternative arrangements that would enable the U.S. G-SIB and its key clients to maintain access to PCS services in resolution.<sup>30</sup> The Proposed Guidance states, however, that U.S. G-SIBs are *not* expected to incorporate a scenario in which they lose FMU or agent bank access into their preferred resolution strategy or their RLEN and RCEN estimates.<sup>31</sup>

The Agencies acknowledge that U.S. G-SIBs have engaged in productive communication with key FMUs and agent banks in the course of preparing their most recent resolution plan submissions and while refining their analyses concerning potential adverse actions and contingency arrangements.<sup>32</sup> Accordingly, the Proposed Guidance states that each U.S. G-SIB should continue to engage with key FMUs, agent banks and clients, and the playbooks should reflect any feedback received during such ongoing outreach.<sup>33</sup>

## D. PLAYBOOK CONTENT WHEN A U.S. G-SIB IS A USER OF PCS SERVICES

According to the release accompanying the Proposed Guidance, a U.S. G-SIB is a user of PCS services when it accesses the services of an FMU through its own membership in that FMU or through the

## SULLIVAN & CROMWELL LLP

membership of another firm that provides PCS services on an agency basis.<sup>34</sup> Under the Proposed Guidance, each playbook with respect to an individual FMU or agent bank should include, at a minimum:

- a description of the U.S. G-SIB's relationship as a user of the key FMU or agent bank and an identification and mapping of PCS services used to the set of material entities, critical operations and core business lines that use those PCS services;
- a discussion of the potential range of adverse actions<sup>35</sup> that may be taken by that key FMU or agent bank when the firm is in resolution, the operational and financial impact of such actions on each material entity, and contingency arrangements that may be initiated by the firm in response to potential adverse actions by the key FMU or agent bank; and
- a discussion of PCS-related liquidity sources and uses in business-as-usual ("BAU"), in stress, and in the resolution period, presented by currency type (with U.S. dollar equivalent) and by material entity.<sup>36</sup>

Each playbook also would be expected to describe any account features (such as intraday extensions of credit, liquidity buffers, prefunding or margin requirements) that might restrict the U.S. G-SIB's ready access to its intraday liquidity sources, its ability to control intraday liquidity outflows, and its capabilities for identifying and prioritizing time-specific payments.<sup>37</sup>

### E. PLAYBOOK CONTENT WHEN A U.S. G-SIB IS A PROVIDER OF PCS SERVICES

According to the release accompanying the Proposed Guidance, a U.S. G-SIB is a provider of PCS services if it provides its clients with access to an FMU or agent bank through the U.S. G-SIB's membership in or relationship with that FMU or agent bank. A U.S. G-SIB also would be a provider if it delivers PCS services critical to a client through the U.S. G-SIB's own operations in a manner similar to an FMU.<sup>38</sup> A U.S. G-SIB that is a direct or indirect provider of PCS services would be expected to identify, in the playbook that it develops with respect to the relevant FMU or agent bank, the set of key clients that rely upon PCS services provided by the U.S. G-SIB.<sup>39</sup> Additionally, if the U.S. G-SIB is a provider of PCS services through its own operations, it would be expected to produce a playbook for the material entities that provide those services, which should include a description of contingency arrangements to enable the U.S. G-SIB's key clients to maintain continued access to PCS services.<sup>40</sup>

Individual FMU and agent bank playbooks should include at a minimum:

- an identification and mapping of PCS services to the material entities, critical operations and core business lines that provide those PCS services, and a description of the scale and manner in which each provides PCS services;
- an identification and mapping of PCS services to key clients that rely upon the U.S. G-SIB to provide those PCS services and any related credit or liquidity offered in connection with such services;
- a discussion of the potential range of firm contingency arrangements available to minimize disruption to the provision of PCS services to the U.S. G-SIB's clients, including the viability of transferring client activity and any related assets, as well as any alternative arrangements that would allow the U.S. G-SIB's key clients to maintain access to critical PCS services if the U.S. G-SIB could no longer provide such access (for example, due to the U.S. G-SIB's loss of FMU or agent bank access), and the financial and operational impacts of implementing such contingency arrangements;

## SULLIVAN & CROMWELL LLP

- a description of the range of contingency actions that the U.S. G-SIB may take concerning its provision of intraday credit to clients,<sup>41</sup> including analysis quantifying the potential liquidity the U.S. G-SIB could generate by taking such actions in stress and during the resolution period;<sup>42</sup> and
- a description of how the U.S. G-SIB will communicate to its key clients the potential impacts of implementation of any identified contingency arrangements or alternatives, including a description of the U.S. G-SIB's methodology for determining whether or when any additional communication should be provided to some or all key clients (for instance, based on an assessment of the client's BAU usage of PCS services and/or related intraday credit or liquidity), and the expected timing and form of such communications.<sup>43</sup>

The playbooks should also consider the benefit of communicating to clients the potential impacts to them of the U.S. G-SIB's potential future implementation of contingency actions through multiple communication channels, at multiple points in time (such as during BAU, stress, or some point in time in advance of taking such actions), and whether the communications should be tailored to different subsets of clients in order to provide the most effective notice of the contingency action and its potential impact on the client.<sup>44</sup> Playbooks may also include sample client contracts or agreements in use that contain provisions related to the U.S. G-SIB's provision of intraday credit or liquidity.<sup>45</sup> If such sample contracts or agreements are included separately as part of the U.S. G-SIB's resolution plan submission, they may be incorporated into the playbook by reference.<sup>46</sup>

---

## II. DERIVATIVES AND TRADING ACTIVITIES

### A. INTRODUCTION

The derivatives and trading activities section of the Proposed Guidance is intended to explain expectations for six of the eight U.S. G-SIBs, Bank of America Corporation, Citigroup Inc., The Goldman Sachs Group, Inc., JPMorgan Chase & Co., Morgan Stanley and Wells Fargo & Company (each, a "dealer firm").<sup>47</sup> The Agencies explain that the dealer firms share several characteristics, including, individually, (i) total derivatives notional values greater than \$5 trillion, (ii) global gross market value of derivatives greater than \$20 billion, (iii) sum of global trading assets and trading liabilities greater than \$110 billion, (iv) being subject to the G-SIB capital surcharge and all components of the Comprehensive Capital Analysis and Review quantitative assessment<sup>48</sup> and (v) being parent to a designated primary dealer.<sup>49</sup>

The Proposed Guidance clarifies the Agencies' expectations with respect to those capabilities viewed as necessary in order for dealer firms to identify and mitigate the risks in resolution associated with their derivatives and trading activities. The Proposed Guidance also would eliminate certain information requirements set out in the 2016 Guidance, including that a dealer firm's resolution plan include separate passive and active wind-down scenario analyses, agency-specified data templates<sup>50</sup> and rating agency playbooks.<sup>51</sup> The Agencies note that, as a group, dealer firms have made meaningful improvements over the course of their successive resolution plan submissions, reflecting multi-year efforts to enhance

## SULLIVAN & CROMWELL LLP

resolution capabilities related to derivatives and trading activities and to integrate those capabilities with business-as-usual practices. The expectations set out in the derivatives and trading activities section of the Proposed Guidance incorporate and synthesize many of these accumulated improvements.<sup>52</sup>

The derivatives and trading activities section of the Proposed Guidance is organized into five subsections: The first four subsections relate to (i) booking practices with respect to the dealer firm's derivatives portfolios, (ii) inter-affiliate risk monitoring and controls, (iii) portfolio segmentation and forecasting and (iv) prime brokerage customer account transfers. These subsections describe the expectation for resolution capabilities to exist at each dealer firm that are commensurate with the size, scope and complexity of the firm's derivatives portfolio and intended to enable dealer firms to maintain operational preparedness to implement an orderly resolution. The fifth subsection – derivatives stabilization and de-risking strategy – sets forth expectations with respect to each dealer firm's approach to managing its derivatives portfolios in an orderly resolution.

### B. BOOKING PRACTICES

To minimize uncertainty and avoid excessive complexity and opacity that might frustrate a firm's resolution preparedness, the Proposed Guidance states that a dealer firm's resolution capabilities should include booking practices appropriate to the size, scope and complexity of the firm's derivatives portfolios.<sup>53</sup> While the 2016 Guidance instructed that a dealer firm should have well-developed derivatives booking practices, the Proposed Guidance would further clarify the capabilities a dealer firm is expected to have related to its booking practices, including its derivatives booking framework and its ability to identify, assess and report on each legal entity that maintains a derivatives portfolio<sup>54</sup> (a "derivatives entity").<sup>55</sup>

- **Derivatives booking framework.** A dealer firm should have a comprehensive booking model framework that, together with its components, provides transparency with respect to (i) what is being booked, (ii) where it is being booked, (iii) by whom it is being booked, (iv) why it is being booked that way and (v) what controls are in place to monitor and manage those practices.<sup>56</sup> The dealer firm's resolution plan should include a detailed description of the framework and each of its material components, in particular the documented booking models covering the firm wide derivatives portfolio and end-to-end trade booking and reporting processes.<sup>57</sup> The plan should also discuss why the firm believes its current (or planned) scope of automation is sufficient for managing its derivatives activities and executing its preferred resolution strategy.<sup>58</sup>
- **Derivatives entity analysis and reporting.** A dealer firm's resolution plan should (i) describe the firm's method for evaluating the significance of each derivatives entity both in light of the firm's current activities and its preferred resolution strategy and (ii) demonstrate the firm's ability to readily generate up-to-date derivatives entity profiles that cover all derivatives entities, are reportable in a consistent manner and include information regarding current legal ownership structure, business activities/volume and risk profile.<sup>59</sup>

### C. INTER-AFFILIATE RISK MONITORING AND CONTROLS

Affiliates of a derivatives entity may be forced to discontinue a trading relationship with that derivatives entity during resolution, which could pose risk to the orderly resolution of the firm as a whole.<sup>60</sup> The

## SULLIVAN & CROMWELL LLP

Proposed Guidance articulates the Agencies' expectation that a dealer firm will address this risk by being able to provide timely transparency into the current risk transfers that exist between affiliates and the resolvability risks associated with such transfers. The Proposed Guidance sets the expectation that a dealer firm will maintain an inter-affiliate market risk framework consisting of at least the following two components:

- A method for measuring, monitoring and reporting the market risk exposures for a given material derivatives entity resulting from the termination of a specific counterparty or set of counterparties; and
- A method for evaluating the effectiveness of a re-hedge strategy that would potentially be put on by the material derivatives entity in the event of such affiliate terminations, and for identifying and estimating the costs associated with the re-hedge strategy.<sup>61</sup>

A dealer firm's resolution plan should describe and demonstrate the firm's inter-affiliate market risk framework and provide detailed descriptions of (i) the firm's derivative trade compression strategies that it would expect to use during resolution and how such compression strategies differ from the approach currently used to manage the firm's inter-affiliate derivatives activities and (ii) the firm's overall compression capabilities, the associated risks and obstacles in resolution.<sup>62</sup>

### D. PORTFOLIO SEGMENTATION AND FORECASTING

The ability to quickly and reliably identify derivatives positions and portfolios is critical to minimizing uncertainty and forecasting resource needs to enable an orderly resolution. The Agencies observe that each dealer firm has developed various modeling approaches, the utility of which is often affected by the scope of readily available data on the underlying characteristics of a dealer firm's derivatives portfolios.<sup>63</sup> Therefore, the Proposed Guidance confirms that a dealer firm should have the capabilities to produce analysis that reflects granular portfolio segmentation and appropriate differentiation of assumptions taking into account trade-level characteristics.<sup>64</sup> A dealer firm should have sufficient systems capabilities to enable it to produce a spectrum of derivatives portfolio segmentation analysis using multiple segmentation dimensions, including, at a minimum, information relating to: (i) legal entity (including material entities that are branches), (ii) trading desk and/or product, (iii) cleared vs. clearable vs. non-clearable trades, (iv) counterparty type, (v) currency, (vi) maturity, (vii) level of collateralization and (viii) netting set.<sup>65</sup> The dealer firm's resolution plan should describe and demonstrate the firm's ability to segment and analyze its firm wide derivatives portfolio using the relevant segmentation dimensions and to report the results of such segmentation and analysis.<sup>66</sup> It is possible that the capabilities developed to comply with the final rules issued by the Department of the Treasury with respect to QFC recordkeeping will overlap to a degree with the segmentation capabilities set out in the Proposed Guidance.

The Proposed Guidance also provides additional detail regarding other segmentation and forecasting-related capabilities that each dealer firm's resolution plan should describe and demonstrate. These capabilities include:

## SULLIVAN & CROMWELL LLP

- **“Ease of exit” position analysis.** Each dealer firm should maintain a methodology and supporting systems capabilities for categorizing and ranking the ease of exit associated with its derivatives positions based on a set of well-defined and consistently applied segmentation criteria.<sup>67</sup> The segmentation criteria should, at a minimum, reflect characteristics that the firm believes could affect the level of financial incentive and operational effort required to facilitate the exit of derivatives portfolios.<sup>68</sup>
- **Application of exit cost methodology.** Each dealer firm should have a methodology for forecasting the cost and liquidity needed to exit positions, and the operational resources related to those exits, under the specific scenario adopted in the firm’s preferred resolution strategy.<sup>69</sup> A dealer firm should have the systems capabilities to apply the firm’s exit cost methodology to its firm-wide derivatives portfolio, at the segmentation levels the firm would likely apply to exit the particular positions.<sup>70</sup>
- **Analysis of operational capacity.** In resolution, a dealer firm should have the capabilities to forecast the incremental operational needs and expenses related to executing specific aspects of its preferred resolution strategy.<sup>71</sup> Therefore, a dealer firm should possess the capability to assess the operational resources and forecast the costs related to its current derivatives activities at an appropriately granular level and likewise assess the incremental impact from executing its preferred resolution strategy.<sup>72</sup> In addition, the dealer firm should have the ability to manage the logistical and operational challenges associated with novating derivatives portfolios during resolution on the required scale.<sup>73</sup>
- **Sensitivity analysis.** Dealer firms should maintain the capacity to apply sensitivity analysis to the key drivers of derivatives-related costs and liquidity flows under its preferred resolution strategy.<sup>74</sup>

### E. PRIME BROKERAGE CUSTOMER ACCOUNT TRANSFERS

The Proposed Guidance sets the expectation that dealer firms’ resolution plans will address the risk that during a resolution the firm’s prime brokerage clients may seek to withdraw or transfer customer account balances at rates significantly higher than under normal business conditions.<sup>75</sup> Dealer firms should be prepared to facilitate the orderly transfer of prime brokerage account balances to peer prime brokers in periods of material financial distress and in resolution.<sup>76</sup> The firm’s plan should also include an assessment of how it would transfer such accounts, which should, among other things, be informed by the nature and extent of client relationships with other prime brokers, the use of automated and manual transaction processes, the profile of clients’ overall long and short positions facilitated by the firm, and the liquidity of clients’ portfolios.<sup>77</sup> These requirements are substantially similar to requirements set out in the 2016 Guidance.<sup>78</sup> However, the Proposed Guidance further clarifies that a dealer firm’s resolution plan should describe and demonstrate its ability to segment and analyze the quality and composition of prime brokerage account balances based on a set of well-defined and consistently applied segmentation criteria (e.g., size, single-prime, platform, use of leverage, non-rehypotheatable securities, liquidity of underlying assets), and to rank account balances according to their potential transfer speed.<sup>79</sup>

### F. DERIVATIVES STABILIZATION AND DE-RISKING STRATEGY

The Proposed Guidance confirms that a dealer firm’s plan should provide a detailed analysis of its strategy to stabilize and de-risk its derivatives portfolios (“derivatives strategy”) in resolution.<sup>80</sup> In

## SULLIVAN & CROMWELL LLP

particular, the Proposed Guidance clarifies that a dealer firm should incorporate into its derivatives strategy the following assumptions:

- **OTC derivatives market access.** At or before the start of the resolution period, each derivatives entity should be assumed to lack an investment-grade credit rating. As a result, it should be further assumed that the derivatives entity has no access to the bilateral OTC derivatives markets and must use exchange-traded and/or centrally-cleared instruments for any new hedging needs that arise during the resolution period.<sup>81</sup> This requirement is similar to one set out in the 2016 Guidance related to the passive wind-down analysis.<sup>82</sup>
- **Early exits (break clauses).** A dealer firm should assume that counterparties (external or affiliates) will exercise any contractual termination right, consistent with the imposition of applicable stays under the ISDA 2015 Universal Resolution Stay protocol or other applicable protocols or amendments, (i) that is available to the counterparty at or following the start of the resolution period and (ii) where the exercise of such right would economically benefit the counterparty.<sup>83</sup>
- **Time horizon.** The resolution period begins immediately after the parent company bankruptcy filing and extends through the completion of the preferred resolution strategy, a period that should be between 12 and 24 months.<sup>84</sup>

The Proposed Guidance confirms that a dealer firm's analysis of its derivatives strategy should, at a minimum, take into account (i) the starting profile of its derivatives portfolios; (ii) the profile and function of the derivatives entities during the resolution period; (iii) the means, capacity and associated challenges with respect to managing and de-risking its derivatives portfolios; (iv) the financial and operational resources required in order to effect the derivatives strategy; and (v) any potential residual portfolio expected to remain at the conclusion of the resolution period.<sup>85</sup> The Proposed Guidance also confirms or clarifies expectations related to other elements that should be addressed in the firm's analysis of its derivatives strategy, including:

- **Forecast of resource needs.** Appropriate forecasts of capital and liquidity resource needs required to adequately support the firm's derivatives strategy should be incorporated into the firm's RLEN and RCEN estimates for its overall preferred resolution strategy.<sup>86</sup> This requirement is similar to one set out in the 2016 Guidance related to the passive and active wind-down analyses.<sup>87</sup>
- **Potential residual derivatives portfolio.** A method for estimating the composition of any potential residual derivatives portfolio transactions remaining after the resolution period, which should demonstrate the dealer firm's capabilities related to portfolio segmentation.<sup>88</sup> The dealer firm should assess the risk profile of the potential residual portfolio and the potential counterparty and market impacts of non-performance on the stability of the U.S. financial markets.<sup>89</sup> The 2016 Guidance also contained a residual derivatives portfolio requirement.<sup>90</sup>
- **Non-surviving material entity analysis.** To the extent the preferred resolution strategy assumes a material derivatives entity enters its own resolution proceeding after the entry of the parent company into a bankruptcy proceeding, the dealer firm should provide a detailed analysis of how the non-surviving material derivatives entity's resolution can be accomplished within a reasonable period of time and in a manner that substantially mitigates the risk of serious adverse effects on U.S. financial stability and to the orderly execution of the firm's preferred resolution strategy.<sup>91</sup> In particular, the firm should provide an analysis of the impact (including on non-U.S. jurisdictions) from the assumed failure of a material derivatives entity.<sup>92</sup>

## REQUEST FOR COMMENTS

The Agencies invite public comment on all aspects of the proposed guidance, but also pose specific questions, summarized below (which are weighted towards PCS issues):

- **Key Vulnerabilities.** The Proposed Guidance is organized into six topics: (1) capital, (2) liquidity, (3) governance mechanisms, (4) operational, (5) legal entity rationalization and separability and (6) derivatives and trading activities. The Agencies request comment on whether these topics represent the key vulnerabilities of the U.S. G-SIBs in resolution and, if not, what key vulnerabilities are not captured.<sup>93</sup>
- **Clarity of PCS Proposals.** The Agencies request comment on whether the proposed changes are sufficiently clear with respect to: (i) the scope of PCS services, (ii) the concept of user versus provider and (iii) direct versus indirect relationships. The Agencies also request comment on any additional clarifications or alternatives concerning the proposed framework that the Agencies should consider, and whether the Agencies should consider further distinguishing between providers based on the type of PCS service they provide.<sup>94</sup>
- **PCS Playbooks.** The Agencies request comment on whether expectations with respect to playbook content for firms that are users or providers (or both) of PCS services are sufficiently clear and whether there are any additional clarifications, alternatives or information the Agencies should consider.<sup>95</sup>
- **Actions for PCS Providers.** The Agencies request comment on whether the guidance should indicate that providers of PCS services are expected expressly to consider particular contingency arrangements, and/or indicate that firms should expressly consider particular actions they may take concerning the provision of intraday credit to affiliate and third-party clients.<sup>96</sup>
- **Liquidity Sources and Uses for PCS Users.** The Agencies request comment on whether the guidance should indicate that users of PCS services are expected to expressly include in the relevant playbook particular PCS-related liquidity sources and uses, or specific abilities to control intraday liquidity inflows and outflows.<sup>97</sup>
- **Communications for PCS Providers.** The Agencies request comment on whether the expectations concerning a PCS provider's communications to its key clients of the potential impact of its implementation of identified contingency arrangements is sufficiently clear. The Agencies request comment on what additional clarifications, if any, should be considered, and whether the Agencies should expect firms to communicate this information at specific times or in specific formats.<sup>98</sup>
- **Proposed Changes.** The Agencies request comment on whether the proposed changes relative to the 2016 Guidance provide sufficient clarity or whether additional clarifications are required.<sup>99</sup>
- **Consolidated Guidance.** In addition to the 2016 Guidance, the Agencies have issued a number of guidance documents related to resolution planning since 2011. The Agencies request comment on whether resolution planning guidance should be consolidated and, if it should be, which aspects of the other guidance warrant inclusion, additional clarification or modification.<sup>100</sup>

\* \* \*

ENDNOTES

1 Bd. of Governors of the Fed. Reserve Sys. and FDIC, *Resolution Planning Guidance for Eight Large, Complex U.S. Banking Organizations* (June 29, 2018), available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180629a.pdf> (the "Release").

2 The U.S. G-SIBs are Bank of America Corporation; The Bank of New York Mellon Corporation; Citigroup Inc.; The Goldman Sachs Group, Inc.; JPMorgan Chase & Co.; Morgan Stanley; State Street Corporation; and Wells Fargo & Company.

3 Bd. of Governors of the Federal Reserve and FDIC, *Guidance for 2017 § 165(d) Annual Resolution Plan Submissions by Domestic Covered Companies that Submitted Resolution Plans in July 2015* (April 13, 2016), available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20160413a1.pdf> (the "2016 Guidance").

4 See U.S. Dep't of the Treasury, *A Financial System that Creates Economic Opportunities, Banks and Credit Unions* (June 2017) at 66–68, available at <https://www.treasury.gov/press-center/press-releases/Documents/A%20Financial%20System.pdf>.

5 Randal K. Quarles, Vice Chairman for Supervision, Federal Reserve, *Trust Everyone – But Brand Your Cattle: Finding the Right Balance in Cross-Border Resolution* (May 16, 2018), available at <https://www.federalreserve.gov/newsevents/speech/quarles20180516a.htm>.

6 *Id.*

7 *Total Loss-Absorbing Capacity, Long-Term Debt, and Clean Holding Company Requirements for Systemically Important U.S. Bank Holding Companies and Intermediate Holding Companies of Systemically Important Foreign Banking Organizations*, 82 Fed. Reg. 8266 (Jan. 24, 2017) (codified at 12 C.F.R. pt. 252).

A willingness by the Federal Reserve to consider revisions to certain aspects of the TLAC framework was also recently indicated in April 2018, when the Federal Reserve and the Office of the Comptroller of the Currency (the "OCC") issued a joint notice of proposed rulemaking to, among other things, modify the Federal Reserve's TLAC leverage buffer and leverage-based long-term debt requirements for U.S. G-SIBs. The notice requested comment on, among other things, whether any modification to the current minimum leverage-based TLAC requirement for U.S. G-SIBs would be appropriate to address proposed changes to the TLAC-related requirements or to address other changes in circumstances since the TLAC rule was finalized, such as new foreign or international standards related to TLAC or capital. For further discussion of the Federal Reserve and OCC notice, including its TLAC-related aspects, see our Client Memorandum, *Bank Capital Requirements: Federal Reserve and OCC Propose Amendments to the Enhanced Supplementary Leverage Ratio Requirements for U.S. G-SIBs*, dated April 17, 2018, available at <https://www.sullcrom.com/bank-capital-requirements-federal-reserve-and-occ-propose-amendments-to-the-enhanced-supplementary-leverage-ratio-requirements-for-us-g-sibs>.

8 Following the Agencies' review of U.S. G-SIBs' most recent resolution plan submissions, the Agencies issued joint decision letters with respect to such plans in December 2017. The joint decision letters for the U.S. G-SIBs may be found on the Federal Reserve's website, at <https://www.federalreserve.gov/supervisionreg/resolution-plans.htm>. No formal deficiency findings were made for any of the firms; rather, shortcomings were identified in specified areas for four of the firms.

9 Release at 7.

10 See Release at 38.

11 Release at 10 n.8.

## ENDNOTES (CONTINUED)

- <sup>12</sup> Several U.S. G-SIBs have stated that it is the liquidity-related aspects of the living will guidance, and not the Liquidity Coverage Ratio or other liquidity requirements, that currently is the binding liquidity constraint they face. See Greg Baer, John Court and Bill Nelson, *Rethinking Living Will Liquidity Requirements* (May 3, 2018), available at <https://www.theclearinghouse.org/research/articles/2018/05/05-03-2018-rethinking-living-will>.
- <sup>13</sup> As of the date of publication, the Proposed Guidance has not been published in the *Federal Register*. However, we expect it to be published sometime in July.
- <sup>14</sup> See Bd. of Governors of the Fed. Reserve Sys. and FDIC, *Guidance for 2018 § 165(d) Annual Resolution Plan Submissions by Foreign-Based Covered Companies that Submitted Resolution Plans in July 2015* (March 24, 2017) at 4, available at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20170324a21.pdf>. Non-U.S. G-SIBs subject to this guidance are Barclays PLC, Credit Suisse Group AG, Deutsche Bank AG and UBS AG. The most recent resolution plan submissions by this set of filers were due before or on July 1, 2018. The Agencies have not yet set a date for the next filing.
- <sup>15</sup> Among other items, the Agencies would potentially incorporate into such a consolidation the applicable aspects of the *Resolution Plan Frequently Asked Questions* issued on May 5, 2017, available at <https://www.fdic.gov/resauthority/2017faqsguidance.pdf>. Release at 30.
- <sup>16</sup> See U.S. Dep't of the Treasury, *supra* note 4, at 67–68. Title I resolution plan submissions by U.S. G-SIBs were not required for 2018, so the Agencies have, in practice, moved to a two-year cycle for the time being. In addition, the Agencies provided feedback to the U.S. G-SIBs on their 2017 plans, due by July 1, 2017, in December 2017, consistent with the Treasury's recommendation that the Agencies complete their review and provide feedback to firms within six months.
- <sup>17</sup> See, e.g., Federal Reserve and FDIC, *Guidance for 2013 § 165(d) Annual Resolution Plan Submissions by Domestic Covered Companies that Submitted Resolution Plans in July 2012* (April 15, 2016), available at <https://www.federalreserve.gov/supervisionreg/resolution-plans.htm> and the 2016 Guidance.
- <sup>18</sup> Release at 14.
- <sup>19</sup> *Id.*
- <sup>20</sup> *Id.*
- <sup>21</sup> Release at 14–15.
- <sup>22</sup> Release at 14.
- <sup>23</sup> For additional information regarding the Financial Stability Board's guidance with respect to financial market infrastructures, see our Client Memorandum, *FSB Resolution Planning Principles: FSB Finalizes Guiding Principles on the Internal Total Loss-Absorbing Capacity of G-SIBs and Guidance on Achieving Continuity of Access to Financial Market Infrastructures* (July 12, 2017), available at <https://www.sullcrom.com/fsb-resolution-planning-principles-7-12-17>.
- <sup>24</sup> According to the Proposed Guidance, a key client is an individual or entity, including affiliates of the Covered Company, that relies upon continued access to the Covered Company's PCS services and any related credit or liquidity offered in connection with those services. Key clients may not necessarily be limited to wholesale clients.
- <sup>25</sup> Examples of quantitative criteria include not only the aggregate volumes and values of all transactions processed through an FMU but also assets under custody with an agent bank, the value of cash and securities settled through an agent bank, and extensions of intraday credit.
- <sup>26</sup> Release at 15, 43.
- <sup>27</sup> Release at 16, 43.

## ENDNOTES (CONTINUED)

- 28 Release at 43.
- 29 *Id.*
- 30 Release at 43–44.
- 31 Release at 17, 43.
- 32 Release at 17.
- 33 Release at 44.
- 34 Release at 15–16, 42 n.12.
- 35 Potential adverse actions may include increased collateral and margin requirements and enhanced reporting and monitoring. See Release at 44 n.16.
- 36 Release at 18–19, 44.
- 37 Release at 20, 44–45.
- 38 Release at 16, 42 n.12.
- 39 Release at 20.
- 40 Release at 45 n.17.
- 41 Possible contingency actions a U.S. G-SIB could take include (i) requiring clients to designate or appropriately pre-position liquidity, including through pre-funding or settlement activity, for PCS-related FMU and agent bank obligations at specific material entities of the U.S. G-SIB (such as direct members of FMUs) or any similar custodial arrangements that allow ready access to clients' funds for such obligations in various currencies; (ii) delaying or restricting client PCS activity; and (iii) restricting, imposing conditions upon (such as requiring collateral), or eliminating the provision of intraday credit or liquidity to clients. Release at 45.
- 42 If a U.S. G-SIB believes it would not take any contingency actions concerning its provision of intraday credit to clients as part of its preferred resolution strategy, it would be expected to describe its reasons for not taking such actions. Release at 21.
- 43 Release at 45–46.
- 44 Release at 22.
- 45 Release at 22.
- 46 Release at 22 n.12.
- 47 Release at 23, 54. In other words, the derivatives and trading activity section of the Proposed Guidance is not meant to apply to The Bank of New York Mellon Corporation or State Street Corporation. In the 2016 Guidance, this section of the guidance also did not apply to Wells Fargo & Company. See 2016 Guidance at 20.
- 48 These components are the global market shock, which applies to the trading portfolios of six firms with large trading and private equity exposures, and the counterparty default scenario component, which applies to eight firms with substantial trading, processing or custodial operations. See Federal Reserve, *Dodd-Frank Act Stress Test 2018: Supervisory Stress Test Methodology and Results* (June 2018), at 5, available at <https://www.federalreserve.gov/publications/files/2018-dfast-methodology-results-20180621.pdf>.
- 49 Release at 23 n.13.
- 50 Note that, while the requirement for agency-specified data templates has been removed in the Proposed Guidance, the Department of the Treasury has, in consultation with the Federal Deposit Insurance Corporation (the "FDIC"), published final rules to implement the qualified financial contract ("QFC") recordkeeping requirements of the Dodd-Frank Act. *Qualified Financial*

ENDNOTES (CONTINUED)

*Contracts Recordkeeping Related to Orderly Liquidation Authority*, 81 Fed. Reg. 75624 (October 31, 2016) (codified at 31 C.F.R. pt. 148), available at <https://www.federalregister.gov/documents/2016/10/31/2016-25329/qualified-financial-contracts-recordkeeping-related-to-orderly-liquidation-authority> (the “QFC Recordkeeping Release”). The final rules require recordkeeping with respect to positions, counterparties, legal documentation and collateral in order to assist the FDIC as receiver for a covered financial company under Title II of the Dodd-Frank Act. QFC Recordkeeping Release at 75624. The compliance dates for the final rules have been extended to March 31, 2019 for entities with total assets equal to or greater than \$1 trillion, June 30, 2019 for entities with total assets equal to or greater than \$500 billion, June 30, 2020 for entities with total assets equal to or greater than \$250 billion and June 30, 2021 for other entities. See *Qualified Financial Contracts Recordkeeping Related to Orderly Liquidation Authority* 83 Fed. Reg. 17619 (April 23, 2018) (codified at 31 C.F.R. pt. 148), available at <https://www.federalregister.gov/documents/2018/04/23/2018-08388/qualified-financial-contracts-recordkeeping-related-to-orderly-liquidation-authority>.

51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74

Release at 24.  
Release at 24–25.  
Release at 25, 54.  
According to the Proposed Guidance, a dealer firm’s derivatives portfolios include its derivatives positions and linked non-derivatives trading positions. Release at 54 n.24.  
Release at 25–26. Consistent with prior guidance, “derivatives entities” is a category that may include both material and non-material entities, in part because non-material entities, in the aggregate, may represent significant exposures. *Id.* at 26 n.14.  
Release at 54–55.  
Release at 55.  
Release at 55–56.  
Release at 56.  
Release at 26.  
Release at 26, 57.  
Release at 58.  
Release at 26–27.  
Release at 27, 58.  
Release at 58.  
Release at 58–59.  
Release at 27, 59.  
Release at 59.  
*Id.*  
Release at 27, 59–60.  
Release at 60.  
Release at 27, 60.  
Release at 60.  
Release at 27, 61.

- 75 Release at 27.
- 76 Release at 27–28, 61.
- 77 Release at 61–62.
- 78 See 2016 Guidance at 20–21.
- 79 Release at 28, 62.
- 80 Release at 28, 62.
- 81 Release at 63.
- 82 See 2016 Guidance at 21.
- 83 Release at 63–64.
- 84 Release at 64.
- 85 *Id.*
- 86 Release at 29, 64.
- 87 See 2016 Guidance at 21–22.
- 88 Release at 29, 64–65.
- 89 Release at 65.
- 90 See 2016 Guidance at 22.
- 91 Release at 65.
- 92 Release at 29, 65–66.
- 93 Release at 13 (Question #1).
- 94 Release at 16–17 (Question #2).
- 95 Release at 22 (Question #3).
- 96 Release at 23 (Question #4).
- 97 Release at 23 (Question #5).
- 98 Release at 23 (Question #6).
- 99 Release at 29 (Question #7). This question does not refer to derivatives and trading activity, but given its place at the end of that section of the preamble and the fact that other questions are directed at proposals related to PCS, it would be reasonable to assume that this question is directed at proposals related to derivatives and trading activity.
- 100 Release at 30 (Question #8). The breadth of this request for comment indicates that the Agencies may be willing to consider comments on prior guidance at this time and in connection with the proposal, in spite of the proposing release formally inviting public comment on only the Proposed Guidance.

# SULLIVAN & CROMWELL LLP

## ABOUT SULLIVAN & CROMWELL LLP

Sullivan & Cromwell LLP is a global law firm that advises on major domestic and cross-border M&A, finance, corporate and real estate transactions, significant litigation and corporate investigations, and complex restructuring, regulatory, tax and estate planning matters. Founded in 1879, Sullivan & Cromwell LLP has more than 875 lawyers on four continents, with four offices in the United States, including its headquarters in New York, four offices in Europe, two in Australia and three in Asia.

## CONTACTING SULLIVAN & CROMWELL LLP

This publication is provided by Sullivan & Cromwell LLP as a service to clients and colleagues. The information contained in this publication should not be construed as legal advice. Questions regarding the matters discussed in this publication may be directed to any of our lawyers listed below, or to any other Sullivan & Cromwell LLP lawyer with whom you have consulted in the past on similar matters. If you have not received this publication directly from us, you may obtain a copy of any past or future related publications by sending an email to [SCPublications@sullcrom.com](mailto:SCPublications@sullcrom.com).

## CONTACTS

---

### New York

Thomas C. Baxter Jr.	+1-212-558-4324	<a href="mailto:baxtert@sullcrom.com">baxtert@sullcrom.com</a>
Whitney A. Chatterjee	+1-212-558-4883	<a href="mailto:chatterjee@sullcrom.com">chatterjee@sullcrom.com</a>
H. Rodgin Cohen	+1-212-558-3534	<a href="mailto:cohenhr@sullcrom.com">cohenhr@sullcrom.com</a>
Elizabeth T. Davy	+1-212-558-7257	<a href="mailto:davye@sullcrom.com">davye@sullcrom.com</a>
Mitchell S. Eitel	+1-212-558-4960	<a href="mailto:eitel@sullcrom.com">eitelm@sullcrom.com</a>
Michael T. Escue	+1-212-558-3721	<a href="mailto:escuem@sullcrom.com">escuem@sullcrom.com</a>
Jared M. Fishman	+1-212-558-1689	<a href="mailto:fishmanj@sullcrom.com">fishmanj@sullcrom.com</a>
C. Andrew Gerlach	+1-212-558-4789	<a href="mailto:gerlacha@sullcrom.com">gerlacha@sullcrom.com</a>
Wendy M. Goldberg	+1-212-558-7915	<a href="mailto:goldbergw@sullcrom.com">goldbergw@sullcrom.com</a>
Charles C. Gray	+1-212-558-4410	<a href="mailto:grayc@sullcrom.com">grayc@sullcrom.com</a>
Mark J. Menting	+1-212-558-4859	<a href="mailto:mentingm@sullcrom.com">mentingm@sullcrom.com</a>
Camille L. Orme	+1-212-558-3373	<a href="mailto:ormec@sullcrom.com">ormec@sullcrom.com</a>
Richard A. Pollack	+1-212-558-3497	<a href="mailto:pollackr@sullcrom.com">pollackr@sullcrom.com</a>
Stephen M. Salley	+1-212-558-4998	<a href="mailto:salleys@sullcrom.com">salleys@sullcrom.com</a>
Rebecca J. Simmons	+1-212-558-3175	<a href="mailto:simmonsr@sullcrom.com">simmonsr@sullcrom.com</a>
William D. Torchiana	+1-212-558-4056	<a href="mailto:torchianaw@sullcrom.com">torchianaw@sullcrom.com</a>
Donald J. Toumey	+1-212-558-4077	<a href="mailto:toumeyd@sullcrom.com">toumeyd@sullcrom.com</a>
Marc Trevino	+1-212-558-4239	<a href="mailto:trevinom@sullcrom.com">trevinom@sullcrom.com</a>
Benjamin H. Weiner	+1-212-558-7861	<a href="mailto:weinerb@sullcrom.com">weinerb@sullcrom.com</a>

---

## SULLIVAN & CROMWELL LLP

---

Mark J. Welshimer	+1-212-558-3669	<a href="mailto:welshimerm@sullcrom.com">welshimerm@sullcrom.com</a>
Michael M. Wiseman	+1-212-558-3846	<a href="mailto:wisemanm@sullcrom.com">wisemanm@sullcrom.com</a>

---

### Washington, D.C.

Janet T. Geldzahler	+1-202-956-7515	<a href="mailto:geldzahlerj@sullcrom.com">geldzahlerj@sullcrom.com</a>
Eric J. Kadel, Jr.	+1-202-956-7640	<a href="mailto:kadelej@sullcrom.com">kadelej@sullcrom.com</a>
Stephen H. Meyer	+1-202-956-7605	<a href="mailto:meyerst@sullcrom.com">meyerst@sullcrom.com</a>
Jennifer L. Sutton	+1-202-956-7060	<a href="mailto:suttonj@sullcrom.com">suttonj@sullcrom.com</a>
Andrea R. Tokheim	+1-202-956-7015	<a href="mailto:tokheima@sullcrom.com">tokheima@sullcrom.com</a>
Samuel R. Woodall III	+1-202-956-7584	<a href="mailto:woodalls@sullcrom.com">woodalls@sullcrom.com</a>

---

### Los Angeles

Patrick S. Brown	+1-310-712-6603	<a href="mailto:brownp@sullcrom.com">brownp@sullcrom.com</a>
------------------	-----------------	--

---

### London

Richard A. Pollack	+44-20-7959-8404	<a href="mailto:pollackr@sullcrom.com">pollackr@sullcrom.com</a>
--------------------	------------------	--

---

### Paris

William D. Torchiana	+33-1-7304-5890	<a href="mailto:torchianaw@sullcrom.com">torchianaw@sullcrom.com</a>
----------------------	-----------------	--

---

### Melbourne

Robert Chu	+61-3-9635-1506	<a href="mailto:chur@sullcrom.com">chur@sullcrom.com</a>
------------	-----------------	--

---

### Tokyo

Keiji Hatano	+81-3-3213-6171	<a href="mailto:hatanok@sullcrom.com">hatanok@sullcrom.com</a>
--------------	-----------------	--

---