

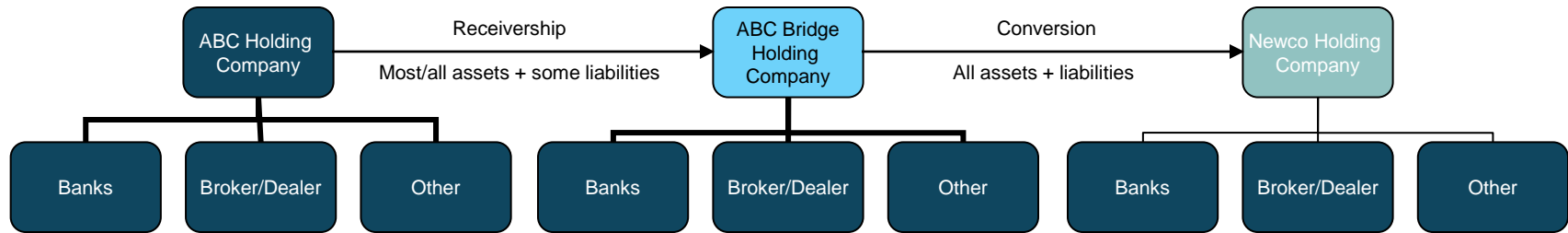


Title II Planning Update

April 14, 2016

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Summary of 2012 Title II Planning



Goals Accomplished:

- *Financial Stability*
- *Write-down of impaired creditors*
- *Wipeout equity holders*
- *Termination of culpable management*
- *No taxpayer support*

Needed Improvements:

- *Exit of a non-systemic enterprise*
- *International close out of derivative contracts*

December 2013 Federal Register Notice:

Resolution of Systemically Important Financial Institutions: The Single Point of Entry Strategy

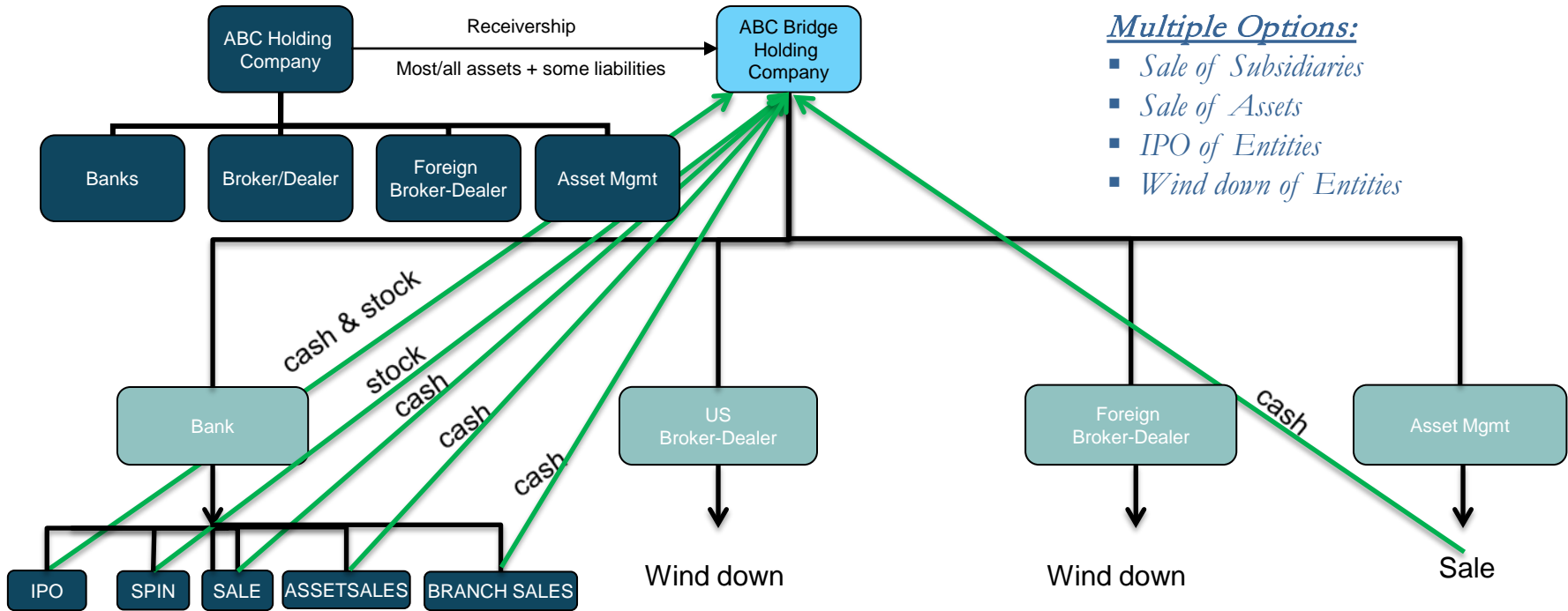
- *“The restructuring might result in one or more smaller companies that would be able to be resolved under bankruptcy without causing significant adverse effects to the US economy.”*

November 2015 Chairman Gruenberg Speech*:

- *“The exact path through resolution will vary depending on the particular failure scenario, but we would expect some business lines or subsidiaries (such as broker-dealers) to quickly shrink and wind down, and for others to be sold off.”*
- *“[S]hareholders, creditors, and culpable management of the firm will be held accountable without cost to taxpayers; and... institution[s] can be would down and liquidated in an orderly way.”*

*The Clearing House Annual Conference in New York, NY November 18, 2015

Current Title II Planning Focus: Optionality



Multiple Options:

- *Sale of Subsidiaries*
- *Sale of Assets*
- *IPO of Entities*
- *Wind down of Entities*