

**Communication between Federal Reserve Staff
and Representatives of White & Case LLP (WC)
May 18, 2011**

Participants: Thomas Boemio, Donald Gabbai, Sebastian Astrada and Flora Ahn (Federal Reserve Board); and Adam Ashcraft and Rita Csejtey (Federal Reserve Bank of New York)

Ernest Patrikis and David Thatch (WC)

Summary: Staff of the Federal Reserve Board and the Federal Reserve Bank of New York and representatives of WC participated in a telephonic discussion regarding the proposed rules to implement the requirements of section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The representatives of WC provided a presentation on their overall views of risk retention and the potential effects on the market for collateralized loan obligations (CLOs). Among other matters discussed were: the structural similarities and substantive differences between CLOs and collateralized debt obligations; the incentive fee structure in CLOs; the level of transparency to investors of a CLO and market discipline; and the liquidity in the market for the underlying assets of CLOs.