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## The Explosion in U.S. Subprime Litigation & Regulatory Initiatives: Implications for European Market Participants

16 July 2008, Mark Square, Leonard Street, London

Learn about the continuing global repercussions of the U.S. Subprime crisis. This event will feature an in-depth examination and debate on the continuing drop in new issuance in the European securitisation markets; the implications of reduced liquidity globally for fixed income securities; the adoption of U.S.-style litigation strategies to Europe; and an update on regulatory initiatives to enhance transparency and address market confidence issues.

Speakers will explore the contracting global demand for mortgage-backed and asset-backed securities, fair value accounting implications under U.S. GAAP (FAS 157) and IFRS, and the U.S. legislative responses to the downturn in the U.S. housing market. The event will also review the legal defenses U.S. banks, loan originators, underwriters, servicers and trustees can utilise in connection with legal claims and how firms are adopting new internal policies and procedures in anticipation of increased regulatory scrutiny of their operations.

### Agenda

**12:00 - 13:00 Open Registration & Buffet Lunch**

**13:00-13:10 Welcome Address**

- **Rick Watson**, Managing Director, **European Securitisation Forum (ESF)**

**13:10-14:00**

Panel 1: **Current Market Conditions: Is the Worst Over in the U.S. & Europe?**

What is the latest data on new issuance trends in the U.S. and the U.K.? What products and sectors will come back first? UK non-conforming loans - is this the next sub-prime crisis? What new platforms and other market solutions are in the works to deliver level 2 pricing? Will the U.K. adopt additional legislation clarifying the treatment of covered bonds? When will IASB issue guidance on fair value accounting? Are they a solution in the U.S.?

- **Dr Markus Herrmann**, Managing Director, Fixed Income Strategy Head of Global ABS Strategy, **HSBC**
- **Michael Hampden-Turner**, Director, Credit Products Strategy, **CITI**

**14:00-15:00**

**Special Presentation: Overview of the Various Types of U.S. RMBS & CMBS Related Suits.**

Why are U.S. litigation trends relevant to European market participants? An assessment of recent U.S. litigation resulting from the subprime crisis. Where will losses ultimately lie in the U.S.? Will Europe be the same? What kinds of suits are occurring? What sort of claims are being asserted? Are there optimal strategies for preparing for the new wave of litigation and how do they differ between the U.S. and Europe? What are injured parties doing to recover their alleged damages? What defenses are available?

- **Talcott J. Franklin**, Partner, **Patton Boggs LLP**, co-author *Mortgage and Asset-Backed Securities Litigation Handbook*
- **Rob Brunner & Ron Greenspan**, **FTI Consulting**

**15:00-15:45**

**Special Presentation: Implications of recent Sub-Prime Related Legislation & Regulatory Pronouncements in Europe, the U.K. & the U.S.**

Prospects for the U.S. \$300 billion rescue package/omnibus housing bill. What is happening with so-called "high cost loans", the industry's "voluntary" HOPE NOW foreclosure prevent guidelines and the ASF's new voluntary "Fastrack" framework? Will there ever be servicer ratings? What's happening with the new "FHA Secure" programme; Is homeownership protection and foreclosure prevention legislation at the state level (New York, New Jersey, California and Minnesota) next? What litigation risk are servicers of REO really facing? How would a new statutory safe-harbor for assignee liability improve things?

- **Eric L Foster**, Partner, **Patton Boggs LLP**

What guidance was in recent pronouncements by FSA and IOSCO on sub-prime loans? Will Europe see rating agencies regulated more heavily? What are the prospects for BIS issuance of additional guidance on liquidity risk under Basel 2 and trading book issues?

- **David Toubé**, Partner, **Cleary Gottlieb Steen & Hamilton LLP**

**15:45 Coffee Break**

**16:00 – 17:00**

**Panel 2: Global Litigation Trends: Managing Securitisation-Related Accounting, Litigation & Other Legal Risks**

What are the litigation trends globally and why it matters. How can firms use liability insurance to protect against subprime losses. How have court interpretations of English law governed securitisation documents differed from New York governed documents? What lessons can be gleaned from recent court decisions and how can your firm better prepare for disputes? In what way are past financial crises influencing policymakers? We will review the difference in approach between the English and US courts, in particular relating to document disclosure, funding, class actions and the overall judicial approach.

- **Moderator: John Schryber**, Partner, **Patton Boggs**

**The UK angle: Recent Trends and Successful Defences. What Suits are brought in and what Strategies are working**

Past experience and recent trends in litigation and dispute resolution. Hear about the crisis from the U.K. angle and from the perspective of a litigator in the City of London.

- **Richard Harrison**, Partner, **Laytons**

How your firm can use liability insurance to protect against subprime losses. Learn what is the optimal wording of repayment demands. How can you ensure you trigger coverage under the defaulting party's liability policy? How to obtain coverage of your costs of defending against or settling a loan repayment demand. Growing usage of "non-recourse" settlements.

- **John Schryber**, Partner, **Patton Boggs**

**17:00 Special Presentation: Hot Topics in Fair Value Accounting**

Get the latest word on fair value accounting. What are the challenges in interpreting the rules? What are broader implications of the new fair value accounting rules? Are the definitions of what constitutes level 1, 2 and 3 pricing clear? Are recent proposals for modifications to the rules (average price) really a solution? What has been the real impact of FAS 157 on a firm's balance sheets?

- **Anthony Clifford**, Partner, **Ernst & Young**

**17:30 Cocktail Reception**