

# Financial Services Regulatory Highlights

volume 9 no. 12

December 2007

## In this issue:

|  |   |
|--|---|
| The State of Model Risk Management.....  | 1 |
| Navigating Emerging Model Risks: Model Validation in the Current Economic Environment .....  | 1 |
| Federal Reserve Proposes Regulations on Unfair and Deceptive Practices in Home Mortgage Lending .....  | 2 |
| OFHEO Announced the 2008 Conforming Loan Limit.....  | 3 |
| Agencies Issue Proposed Rules and Guidelines that Address Accuracy and Integrity of Consumer Report Information and Rules to Allow Direct Disputes .....                 | 3 |
| Interagency Statement on Pandemic Planning .....   | 3 |
| FinCEN Issues Interpretive Guidance on the Definition of Money Services Business to Certain Owner-Operators of ATMs offering Limited Services.....                       | 4 |
| FDIC Proposes Rule to Enhance the Process for Determining Insurance in the Event of a Large Bank Failure.....  | 5 |
| FINRA Issues Regulatory Notice on Qualification Examinations.....  | 5 |
| SEC Settled Stock Options Backdating Case for \$468 Million .....  | 7 |
| Chairman Cox Testifies on New Evidence on the Cost for Small Companies .....   | 8 |
| FDIC Issues Winter 2007 Edition of <i>Supervisory Insights</i> .....   | 8 |
| FinCEN Director Speaks at the Anti-Money Laundering and Counter Terrorist Financing Conference.....  | 9 |
| FINRA Fines Rafferty Capital Markets to Pay Over \$400,000 for Supervisory Failures Involving Late Trading, Deceptive Market Timing By Firm's Hedge Fund Customers ..... | 9 |

## The State of Model Risk Management

By Richard R. Pace, Principal

Model risk management stands at the forefront of risk management for many financial services firms. In this article, we review the current state of model risk management -- focusing on the following questions: (1) What has motivated the increased attention paid to this area over the last few years? and (2) What are some of these challenges in building a truly effective model risk management program, and how are companies addressing them?

To view the full paper, go to:

[http://www.pwc.com/images/us/eng/fs/PwC\\_State\\_of\\_Model\\_Risk\\_Management.pdf](http://www.pwc.com/images/us/eng/fs/PwC_State_of_Model_Risk_Management.pdf)

## Navigating Emerging Model Risks: Model Validation in the Current Economic Environment

By Richard R. Pace, Principal

The recent downturn in the U.S. housing market has brought to light certain weaknesses in the ability of existing risk models to forecast accurately expected credit losses — particularly for subprime mortgage products. This document focuses on identifying emerging model risk issues driven by recent credit market events, and to offer some suggestions on how these risks may be mitigated. The paper explores issues such as the use of existing models on new loan populations, the adoption of third-party financial models, and model change management. This document is useful for understanding the different risks that go along with using models in the current environment.

To view the full paper, go to:

[http://www.pwc.com/images/us/eng/fs/PwC\\_Navigating\\_Emerging\\_Model\\_Risks.pdf](http://www.pwc.com/images/us/eng/fs/PwC_Navigating_Emerging_Model_Risks.pdf)

# Federal Reserve Proposes Regulations on Unfair and Deceptive Practices in Home Mortgage Lending

On December 18, 2007, the Federal Reserve Board proposed and asked for public comment on changes to Regulation Z (Truth in Lending) to protect consumers from unfair or deceptive home mortgage lending and advertising practices. The rule, which would be adopted under the Home Ownership and Equity Protection Act (HOEPA), would restrict certain practices and would require certain mortgage disclosures to be provided earlier in the transaction.

The proposal includes four key protections for “higher-priced mortgage loans” secured by a consumer’s principal dwelling:

- Creditors would be prohibited from engaging in a pattern or practice of extending credit without considering borrowers’ ability to repay the loan.
- Creditors would be required to verify the income and assets they rely upon in making a loan.
- Prepayment penalties would only be permitted if certain conditions are met, including the condition that no penalty will apply for at least sixty days before any possible payment increase.
- Creditors would have to establish escrow accounts for taxes and insurance.

The rule would define “higher-priced mortgage loan” to capture loans in the subprime market but generally exclude loans in the prime market. A loan would be covered if it is a first-lien mortgage and has an annual percentage rate (APR) that is three percentage points or more above the yield on comparable Treasury notes, or if it is a subordinate-lien mortgage with an APR exceeding the comparable Treasury rate by five points or more.

The following protections would apply to all loans secured by a consumer’s principal dwelling, regardless of the loan’s APR:

- Lenders would be prohibited from compensating mortgage brokers by making payments known as “yield-spread premiums” unless the broker previously entered into a written agreement with the consumer disclosing the broker’s total compensation and other facts. A yield spread premium is the

fee paid by a lender to a broker for higher-rate loans. The consumer’s written agreement with the broker must occur before the consumer applies for the loan or pays any fees.

- Creditors and mortgage brokers would be prohibited from coercing a real estate appraiser to misstate a home’s value.
- Companies that service mortgage loans would be prohibited from engaging in certain practices. For example, servicers would be required to credit consumers’ loan payments as of the date of receipt and would have to provide a schedule of fees to a consumer upon request.

The proposed revisions to TILA’s advertising rules require additional information about rates, monthly payments, and other loan features. The amendments also would ban seven deceptive or misleading advertising practices, including representing that a rate or payment is “fixed” when it can change.

Under the proposal, creditors would have to provide a good faith estimate of the loan costs, including a schedule of payments, within three days after a consumer applies for any mortgage loan secured by a consumer’s principal dwelling, such as a home improvement loan or a loan to refinance an existing loan. Currently, early cost estimates are only required for home-purchase loans. In addition, consumers could not be charged any fee until after they receive the early disclosures, except a reasonable fee for obtaining the consumer’s credit history.

A notice will be published shortly in the Federal Register. The comment period will end 90 days after the date of publication.

## OFHEO Announced the 2008 Conforming Loan Limit

On November 27, 2007, the Office of Federal Housing Enterprise Oversight (OFHEO) announced the maximum 2008 conforming loan limit for single-family mortgages purchased by Fannie Mae and Freddie Mac (Enterprise) will remain at \$417,000 for one-unit properties.

The conforming loan limit determines the maximum size of a mortgage that an Enterprise can buy or guarantee. By law the maximum conforming loan limit is based on the October-to-October change in the average house price in the Monthly Interest Rate Survey (MIRS) of the Federal Housing Finance Board (FHFB). The FHFB reported the decline in the average price was \$10,685 or 3.49 percent, from \$306,258 in October 2006 to \$295,573 in October 2007. The combined two-year decline is now 3.65 percent.

On October 22, 2007, OFHEO published in the Federal Register a revised Examination Guidance proposal for procedures relating to

the calculation of the conforming loan limit and implementation of increases or decreases in the limit. OFHEO published the initial proposal for comment on June 20, 2007. The second comment period has now closed and OFHEO is reviewing comments received. At the time of the October publication, OFHEO announced that no decreases in the loan limit would be required for 2008, regardless of the price data in the MIRS report.

The conforming loan limit is based on the FHFB monthly survey and not OFHEO's quarterly House Price Index (HPI), which was released for the third quarter on November 29.

## Agencies Issue Proposed Rules and Guidelines that Address Accuracy and Integrity of Consumer Report Information and Rules to Allow Direct Disputes

On November 29, 2007, the federal financial regulatory agencies and the Federal Trade Commission (FTC) approved proposed regulations and guidelines to help ensure the accuracy and integrity of information provided to consumer reporting agencies and allow consumers to dispute directly inaccuracies with financial institutions and other entities that furnish information to consumer reporting agencies.

The agencies are proposing guidelines for use by entities that furnish information about consumers to a consumer reporting agency regarding the accuracy and integrity of that information. The agencies are proposing regulations that require each entity that

furnishes information to a consumer-reporting agency to establish reasonable policies and procedures for implementing the guidelines.

The proposed rules will allow consumers to dispute inaccuracies about certain information reflected on their consumer reports directly with the furnishers of that information.

## Interagency Statement on Pandemic Planning

The FFIEC agencies (Federal Reserve Board, Office of the Comptroller of the Currency, Office of Thrift supervision, Federal Deposit Insurance Corporation, National Credit Union Administration and State Liaison Committee) jointly issued guidance on December

14, 2007 to remind financial institutions that business continuity plans should address the threat of a pandemic influenza outbreak and its potential impact on the delivery of critical

financial services. This guidance supplements both the “Interagency Advisory on Influenza Pandemic Preparedness” issued on March 15, 2006 by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision, as well as the “Letter to Credit Union 06-CU-06 - Influenza Pandemic Preparedness” issued by the National Credit Union Administration in March 2006.

This guidance identifies actions that financial institutions should take to minimize the potential adverse effects of a pandemic. Specifically, the institution’s business continuity plan (BCP) should address pandemics and provide for a preventive program, a documented

strategy scaled to the stages of a pandemic outbreak, a comprehensive framework to ensure the continuance of critical operations, a testing program and an oversight program to ensure that the plan is reviewed and updated. The pandemic segment of the BCP must be sufficiently flexible to address a wide range of possible effects that could result from a pandemic, and also be reflective of the institution’s size, complexity, and business activities.

## FinCEN Issues Interpretive Guidance on the Definition of Money Services Business to Certain Owner-Operators of ATMs offering Limited Services

On December 3, 2007, the Financial Crimes Enforcement Network (FinCEN) issued interpretive guidance to clarify whether a non-bank owner and operator of an automated teller machine (ATM) would be a money services business (MSB) as defined under the Bank Secrecy Act and its implementing regulations.

MSBs include currency dealers or exchangers, check cashers, issuers, sellers, and redeemers of traveler’s checks, money orders, or stored value, money transmitters, and the United States Postal Service. The MSB categories that could apply to a non-bank ATM owner-operator are either 1) currency dealer or exchanger, or 2) money transmitter.

The guidance clarifies that it only applies to ATMs that permit balance inquiries and currency withdrawals.

### Currency Dealer or Exchanger

A “currency dealer or exchanger” is defined as a currency dealer or exchanger whose business activity exceeds the threshold transaction size of \$1000 per person per day.

Under the guidance, non-bank owned and operated ATMs do not meet the definition of a “currency dealer or exchanger.” The ATM dispenses currency in accordance with authorized withdrawal instructions in exchange for a fee. The owner-operator of the ATM

is not in the business of buying and selling currency for the customer. Therefore, the owner-operator would not be doing business as a currency dealer or exchanger..

### Money Transmitter

A “money transmitter” is defined as any person, whether or not licensed or required to be licensed, who engages as a business in accepting currency, or funds denominated in currency, and transmits the currency or funds, or the value of the currency or funds, by any means through a financial agency or institution...or an electronic funds transfer network; or...[a]ny other person engaged as a business in the transfer of funds.

Under the guidance, the non-bank owned and operated ATMs do not meet the definition of a “money transmitter.” Because the ATMs do not have the ability to transmit funds to third parties or customers accounts at other financial institutions, they do not meet the definition of a “money transmitter.”

# FDIC Proposes Rule to Enhance the Process for Determining Insurance in the Event of a Large Bank Failure

On December 19, 2007, the Federal Deposit Insurance Corporation (FDIC) issued a proposed rule to improve the process for determining uninsured depositors at larger institutions in the event of a failure. The measure are intended to enhance the FDIC's ability to make funds promptly available to insured deposit customers in the unlikely event that a large financial institution is closed.

The proposal is broken into two parts. One section relates to so-called covered institutions, those that have at least \$2 billion in domestic deposits, have more than 250,000 deposit accounts, or have total assets of more than \$20 billion, regardless of the number of deposits or accounts. Currently, 159 FDIC-insured institutions meet these criteria.

A covered institution would be required to adopt mechanisms that, in the event of a failure, would place provisional holds on large deposit accounts in a percentage specified by the FDIC; provide the FDIC with deposit account data in a standard format; and allow automatic removal of provisional holds once the FDIC makes an insurance determination.

The second section applies to all FDIC-insured institutions, regardless of size, and governs the specific time and circumstance under which account balances will be determined in the event of a failure. The FDIC is proposing to use the end-of-day ledger balance as normally calculated by the institution.

By using the end-of-day ledger, the FDIC will be able to apply a single standard across all failed banks in order to treat every transaction equally. This is also the same deposit balance used for Call Report and FDIC assessment purposes. There would be no

requirements placed on open institutions as a result of this provision.

The FDIC places a high priority on providing access to insured deposits promptly and, in the past, has usually been able to allow most depositors access to their deposits on the next business day. If adopted, the proposed rule would better enable the FDIC to continue this practice, especially for the larger, more complex institutions it insures.

For the past two years the FDIC has been working on a system that would allow for a quicker and more accurate determination of insurance in the event that a large bank was closed due to financial difficulty. In December 2005, the agency issued an Advance Notice of Proposed Rulemaking, and then followed up in December 2006 with a proposed rule.

The FDIC last updated its deposit insurance determination process in 1999. The largest number of deposit accounts in a failed institution for which the FDIC had to make an insurance determination was about 175,000 for NetBank, FSB, Alpharetta, Georgia, on September 28, 2007. Today, some of the larger banks have more than 50 million deposit accounts.

Comments will be accepted for 90 days after the proposal is publication in the **Federal Register**.

# FINRA Issues Regulatory Notice on Qualification Examinations

On December 13, 2007, FINRA issued Regulatory Notice 07-62, on qualification exam updates regarding revisions that have been made to the following examination programs:

- Series 23 - General Securities Principal Sales Supervisor Module;
- Series 24 - General Securities Principal;

- Series 42 - Limited Representative - Options;
- Series 55 - Limited Representative - Equity Trader;
- Series 62 - Limited Representative - Corporate Securities;
- Series 72 - Limited Representative - Government Securities; and
- Series 82 - Limited Representative - Private Securities Offerings.

FINRA is required, by the Securities and Exchange Act of 1934 to prescribe standards of training, experience and competence of persons associated with FINRA member firms. As such, FINRA and committees of industry representatives have reviewed and revised the certain examination programs. The revisions reflect changes to laws, regulations and rules covered by the examinations and will better reflect the duties and responsibilities of the individuals taking these examinations.

In each of the Series, FINRA has made one or more of the following changes:

- Removed references to the FINRA and Nasdaq rules in the study outline to reflect Nasdaq's separation from FINRA;
- Added new sections;
- Changed several titles; and
- Modified a number of the questions.

### **Series 23**

The Series 23 is a limited qualification examination that tests a candidate's knowledge of securities industry rules and regulations pertaining to the supervision of investment banking, securities markets, and trading as well as financial responsibility requirements.

### **Series 24**

The Series 24 examination is the FINRA examination that qualifies an individual to function as a General Securities Principal.

### **Series 42**

Each associated person of a member firm who is included within the definition of representative in NASD Rule 1031(b) may register with FINRA as a Limited Representative – Options and Security Futures if:

- The individual's activities in the investment banking and securities business of the member firm are limited solely to the solicitation or sale of option or security futures contracts,

including option contracts on government securities, for the account of a broker-dealer or public customer;

- The individual also registers as either a Limited Representative – Corporate Securities (Series 62) or Limited Representative – Government Securities (Series 72);
- The individual passes the Series 42 qualification examination; and
- The individual completes a firm element continuing education program that addresses security futures before engaging in any security futures business.

### **Series 55**

The Series 55 examination is the FINRA examination that qualifies an individual to function as a Limited Representative – Equity Trader. Before registration as a Limited Representative – Equity Trader may become effective; the individual must be registered as either a General Securities Representative (Series 7) or Limited Representative – Corporate Securities (Series 62).

### **Series 62**

Each associated person of a member firm who is included within the definition of representative in NASD Rule 1031(b) may register with FINRA as a Limited Representative – Corporate Securities if:

- The individual's activities in the investment banking and securities business of the member firm are limited solely to the solicitation, purchase and sale of a "security," as that term is defined in Section 3(a)(10) of the Exchange Act; and
- The individual does not engage in any activities relating to the following securities: municipal securities, option securities, redeemable securities of companies registered pursuant to the Investment Company Act (except for money market

funds), variable contracts of insurance companies registered pursuant to the Securities Act of 1933 (Securities Act) and direct participation program securities; and

- The individual passes the Series 62 qualification examination.

### **Series 72**

Each associated person of a member firm who is included within the definition of representative in NASD Rule 1031(b) may register with FINRA as a Limited Representative – Government Securities if:

- The individual's activities in the investment banking and securities business of the member firm are limited solely to the solicitation, purchase and sale of government securities, for the account of a broker-dealer or public customer; and
- The individual passes the Series 72 qualification examination.

### **Series 82**

Each associated person of a member firm who is included within the definition of representative in NASD Rule 1031(b) may register with FINRA as a Limited Representative – Private Securities Offerings if:

- The individual's activities in the investment banking and securities business of the member firm are limited solely to effecting sales as part of a primary offering of securities not involving a public offering;
- The individual does not effect sales of municipal or government securities, or equity interests in or the debt of direct participation program securities; and
- The individual passes the Series 82 qualification examination.

## **SEC Settled Stock Options Backdating Case for \$468 Million**

[On December 6, 2007, the Securities and Exchange Commission \(SEC\) announced a \\$468 million settled enforcement action in an options backdating case against William W. McGuire, M.D., the former Chief Executive Officer and Chairman of the Board of UnitedHealth Group, Inc.](#)

This settlement is the first to with an individual under the "clawback" provision of the Sarbanes-Oxley Act to derive corporate executives of their stock sale profits and bonuses earned while their companies were misleading investors.

The SEC alleges that from 1994 through 2005, McGuire looked back over a window of time and picked grant dates for UnitedHealth options that coincided with dates of historically low quarterly closing prices for the company's common stock. McGuire signed and approved backdated documents falsely indicating that the option had actually been granted on these earlier dates. These inaccurate documents caused the company to understate compensation expenses for stock options, and were routinely provided to the company's external auditors in connection with their audits and review of UnitedHealth's financial statements.

UnitedHealth filed quarterly and annual reports, proxy statements, and registration statements that contained materially false and

misleading statements concerning the true grant dates and proper exercise prices of stock options. McGuire's misconduct led investors to believe that stock options were granted with strike prices not less than the fair market value of UnitedHealth's stock on the date of grant and in accordance with the terms of the company's stock option plans. In March 2007, the company restated its financial statements for each year from 1994 through 2005, and disclosed material cumulative pre-tax errors in stock-based compensation accounting that totaled \$1.526 billion.

From 1994 to 2005, McGuire personally received more than 44 million split-adjusted UnitedHealth options. He exercised and sold more than 11 million of these backdated options for a gain of more than \$6 million. He also received almost \$5 million of incentive-based cash bonuses in 2005 to 2006 tied to earnings per share targets that UnitedHealth would not have achieved under financial statements

restated due to errors in stock-based compensation accounting.

McGuire's disgorgement plus prejudgment interest and his Section 304 reimbursement would be deemed satisfied by his return to UnitedHealth of approximately \$600 million in cash and

UnitedHealth options pursuant to the terms of his separate settlement with the company, resolving employment claims and shareholder derivative lawsuits filed against McGuire in state and federal courts in Minnesota.

## Chairman Cox Testifies on New Evidence on the Cost for Small Companies

[On December 12, 2007, Chairman Christopher Cox of the SEC testified before the U.S. House of Representatives Committee on Small Business on the Sarbanes-Oxley Section 404.](#)

The Chairman states that companies would incur compliance costs before the SEC has the benefit of the study and analysis. He proposes that a one-year delay in implementation for small businesses be authorized in order to base the final implementation of the best available cost data.

The SEC's Advisory Committee on Smaller Public Companies issued a report in April 2006, which focused on ways that the SEC could ensure that the benefits of regulation for smaller companies under the federal securities laws outweigh the costs. One of the Committee's recommendations was that smaller companies should not be made to comply with section 404 of the Sarbanes-Oxley Act - in particular, the external auditor involvement.

The survey of costs and benefits, that the Chairman discusses, will have two parts:

- Web-based survey of companies; and
- In-depth interviews, including companies that are just now becoming compliant.

The study and analysis will be expected to be completed no earlier than June 2008. Currently, smaller public companies are expected

to begin compliance with section 404 for fiscal years ending after December 15, 2008.

"We expect that the compliance costs under section 404(a) should come down disproportionately for small business because the new SEC guidance that's been developed specifically for management will allow each small business to exercise significant judgment in designing an evaluation that is tailored to its individual circumstances," the Chairman stated.

"Unlike external auditors, management in a smaller company tends to work with its internal controls on a daily basis. They have a great deal of knowledge about how their firms operate," stated the Chairman.

The new guidance will allow management to use their knowledge, making for a much more efficient assessment process.

The Chairman concludes, "The goal of all of these efforts is to implement section 404 just as Congress intended: in the most efficient and effective way to meet our objectives of investor protection, well-functioning financial markets, and healthy capital formation by companies of all sizes.

## FDIC Issues Winter 2007 Edition of *Supervisory Insights*

[On December 18, 2007, the FDIC issued the Winter 2007 edition of \*Supervisory Insights\*. This issue has information on how banks can manage risks in a challenging banking environment.](#)

- "Liquidity: Decades of Change" outlines funding trends that have elevated some banks' liquidity risk profiles and highlights

Articles in this edition include the following:

the importance of a forward-looking approach to liquidity planning.

- "Managing Commercial Real Estate Concentrations" provides context on some of the key risk-management issues and practices that the authors have observed at both large and small banks.
- "HMDA Data: Identifying and Analyzing Outliers" describes how the FDIC analyzes HMDA pricing disparities, and how clear and effective bank policies and procedures, strong oversight and controls can help banks combat potentially discriminatory lending activities.
- "Connecting the Dots ... The Importance of Timely and Effective Suspicious Activity Reports" highlights the importance of SARs, provides examples of how various agencies use

SARs, discusses common deficiencies in SAR filings, and provides tip on what makes an effective SAR.

- "Authentication in Internet Banking: A Lesson in Risk Management" discusses how the guidance addresses the risks of Internet banking and how banks and technology service providers have responded to the guidance.

*Supervisory Insights* provides a forum for discussing how bank regulation and policy are put into practice in the field, sharing best practices and communicating about the emerging issues that bank supervisors face.

## FinCEN Director Speaks at the Anti-Money Laundering and Counter Terrorist Financing Conference

On December 5, 2007, James H. Freis, Jr., Director of the Financial Crimes Enforcement Network spoke at the Anti-Money Laundering and Counter Terrorist Financing Conference in New York.

Mr. Freis begins by discussing "gatekeeper" responsibilities, as applied to accountants. Accountants are, "in a unique position to observe transactions and possibly identify suspicious activities that may indicate money laundering, terrorist financing or other unlawful conduct."

In his remarks, he addresses:

- The role of the accountant as he or she serves a financial institution and the importance of the independent review within the context of our risk-based regulatory approach;
- A broader discussion of effectiveness and efficiency initiatives currently underway with respect to the financial industry; and
- Feedback on how the government uses the information reported under the BSA.

## FINRA Fines Rafferty Capital Markets to Pay Over \$400,000 for Supervisory Failures Involving Late Trading, Deceptive Market Timing By Firm's Hedge Fund Customers

On November 29, 2007, FINRA announced that it fined Rafferty Capital Markets, LLC, for facilitating improper market timing practices and for failing to have an adequate supervisory system to prevent deceptive market timing and late trading.

FINRA found, the firm:

- Assisted six hedge fund customers in circumventing market timing restrictions and escaping detection by opening and using multiple related customer accounts, as well as using different broker branch codes for market timing.

- From April 2001 through April 2002 permitted two hedge fund clients to continue market timing while circumventing attempts by mutual fund companies to block or restrict such trading. As a result of the conduct, 118 additional mutual fund exchanges yielded a net profit of about \$59,605 at the expense of long-term investors in the mutual funds.

Rafferty lacked procedures designed to ensure that brokers who received notices of restricted or rejected mutual fund trades would notify their supervisors or the compliance department. There were no systems or procedures regarding how the firm should respond when receiving these notices.

The firm also failed to:

- Respond to warning signals that its brokers were engaged in improper market timing.
- Establish, maintain or enforce supervisory systems and written procedures designed to prevent and detect late trading.
- Preserve and maintain copies of all e-mail communications relating to the firm's business. They also failed to create records accurately reflecting time of entry.

- Have written supervisory procedures that provided adequate guidance regarding order ticket memoranda to ensure compliance with regulatory requirements.

FINRA ordered Rafferty to refrain for 90 days from opening new mutual fund brokerage accounts for any new or existing customers. The firm was also fined \$350,000 and ordered to pay \$59,605 in restitution to two mutual fund families in connection with customer profits derived from improper market timing. They were also ordered to review their procedures and certify that it has established systems and procedures to prevent late trading and deceptive market timing, to retain electronic communications, and to record the times of receipt and entry of mutual funds.

## Additional Information

If you would like additional information about the topics discussed in this newsletter, or about PwC's Financial Services Regulatory Advisory Services, please call:

|                               |              |
|-------------------------------|--------------|
| David Albright, Principal     | 703-918-1364 |
| John Campbell, Principal      | 646-471-7120 |
| Roger Coffin, Principal       | 646-471-2545 |
| Jeff Lavine, Partner          | 703-918-1379 |
| Ric Pace, Principal           | 703-918-1385 |
| Bruce Roland, Principal       | 410-783-7650 |
| Ellen Walsh, Principal        | 646-471-7274 |
| Gary Welsh, Managing Director | 703-918-1432 |
| Stephen Lurie, Director       | 646-471-5129 |
| David Sapin, Director         | 703-918-1391 |
| Michael VanHuysen, Director   | 703-918-1429 |
| Dan Weiss, Director           | 703-918-1431 |
| Karen Severe, Manager         | 646-471-7234 |
| Michael B. Tuohy, Manager     | 646-471-4209 |

[www.pwc.com](http://www.pwc.com)