



January 2014

Last year was another productive one for the Credit Roundtable (CRT). Our membership continues to grow, with five new members in 2013, bring the total to 35, representing more than \$4 trillion of assets under management.

Last year brought renewed focus on our core mission of education, outreach, and advocacy for credit investors. Our Advisory Board hosted monthly calls covering a variety of topics, including:

- Changing bank regulations, such as leverage ratios, the resulting new debt securities and market impact
- Eminent domain tactics as they relate to underwater mortgages
- Survey results and discussion on offshoring of credit research
- Discussion with a sell-side analyst on LBO risk and effectiveness of change of control covenant in protecting investors from this risk

We continue to hold semi-annual in-person meetings in conjunction with the Fixed Income Forum Spring and Fall Roundtables. Topics at the 2013 Spring meeting, held in Washington, DC, and Fall meeting, held in Chicago, included:

- A working session with liability managers from leading investment banks identifying areas of compromise on improving the debt tender & consent solicitation process
- JPMorgan strategist Eric Beinstein on leveraging trends and the credit cycle
- A panel (joint with Fixed Income Forum) on the impact of the Detroit bankruptcy
- A dialogue with leading syndicate managers on the new-issue market, trends in covenant protections and ways to improve the underwriting/distribution process
- Panel with the Federal Deposit Insurance Corp. and Federal Reserve on Orderly Liquidation Authority

The Credit Roundtable is a well-known and respected industry organization that national policy makers value for our thoughts and input on proposed rules and regulations. During the year the CRT was active with senior regulators regarding expected rules related to the Dodd-Frank Act. A working group established to engage the FDIC and Fed regarding Living Wills and expected rules related to Title II of the Dodd-Frank Act-Orderly Liquidation Authority wrote a letter to regulators early in the year and followed it up with a meeting in Washington with senior FDIC and Fed officials. The working group also surveyed the CRT and Fixed Income Forum members on Single Point of Entry (SPOE) concerns and shared the results with the FDIC and Fed with the expectation of a follow-up meeting in 2014.

We had the opportunity in 2013 to refocus on improving rules related to fixed income corporate actions, a long-time CRT initiative delayed by the financial crisis. During the year, members of the CRT joined sell-side attorneys and liability management professionals in a forum hosted by the American Bar Association to discuss potential improvements to the existing regulations regarding tenders, consents and exchanges. A CRT working group wrote a letter to the Securities and Exchange Commission outlining recommendations and changes since our last visit in 2010. The SEC proposed a summit in 2014 with issuers' counsel, Wall Street and the CRT to discuss potential guidance in this area.

Institutional Investor

225 Park Avenue South, 7th Floor, New York, NY 10003, Tel: (212) 224-3074, Fax: (212) 224-3838



Bondholders' rights to organize and collaborate when faced with an adverse corporate action were upheld on appeal last year in the antitrust case of *CompuCredit v. Akanthos*. The CRT had filed an amicus brief in this case in 2012.

In 2014, in addition to our Spring and Fall meetings and monthly calls, we plan to ramp up our government outreach on topics such as financial regulation, corporate actions, underwriting and distribution and bondholder protections. The Credit Roundtable offers a great opportunity to have a stronger role in shaping the outcome of rules that impact the credit markets and our clients.

Additional 2014 goals include:

- Participate in SEC summit on corporate actions (tenders, exchanges and consents)
- Respond to the FDIC's request for comments on the proposed SPOE resolution proposal
- Reengage with SEC on underwriting/distribution/disclosure issues
- Monitor the adoption of model covenants for possible revisions and enhancements to improve their adoption and effectiveness
- Identify future key initiatives for the group
- Continue to grow membership

Active and involved members are critical to strengthening the group in the coming year. As a volunteer organization, we are doing this on behalf of our firms and our clients and look to members for ideas and agenda items for monthly calls and roundtable meetings.

The membership fee this year will remain at \$4,000, which pays for legal fees associated with Credit Roundtable projects, as well as meeting and administrative costs. An antitrust lawyer, currently working pro bono, participates in all calls and meetings. A group of in-house lawyers at member firms has provided valuable input on comment letters and other initiatives and helped keep outside legal costs down. Please find attached to this email a copy of the membership agreement for 2014. If you have questions about renewing, please contact Lyn Perlmuth (212-224-3074 or lperlmuth@iimemberships.com) or Kara Hennessey (212-224-3670 or kara.hennessey@iimemberships.com).

The Advisory Board of the Credit Roundtable welcomes your support and involvement. Thank you, and best wishes for a prosperous 2014.

Co-leaders

Chris Gootkind
Loomis, Sayles & Co.

David Knutson
Legal and General Investment Management America

Institutional Investor

225 Park Avenue South, 7th Floor, New York, NY 10003, Tel: (212) 224-3074, Fax: (212) 224-3838

Credit Roundtable Advisory Board

Robert F. Auwaerter
Vanguard Group

Patrick Cassidy
Charles Schwab & Co.

Dana Emery
Dodge & Cox

Justin Gerbereux
T. Rowe Price

Chris Gootkind
Loomis, Sayles & Company, L.P.

Richard Greenwood
Prudential Financial

Stuart Hosansky
Vanguard Group

Joel Klein
PPM America, Inc.

David Knutson
**Legal and General Investment
Management America**

Marc Kremer
Franklin Templeton Investments

Mike McGonigle
T. Rowe Price

Adam Rubinson
Dodge & Cox

Chris Swain
**Mason Street Advisors/Northwestern
Mutual**

Leah Westfall
**Mason Street Advisors/Northwestern
Mutual**

Louis Zahorak
**California Public Employees' Retirement
System**