

Mealey's™ Subprime-Backed Securities Litigation Conference

The mortgage industry, CDOs and current litigation: how to **survive** and **thrive** during the subprime meltdown.

Chair:

David J. Grais

Grais & Ellsworth LLP

New York City

March 6, 2008

The Harvard Club

of New York City

Developed in collaboration with:

GRAIS & ELLSWORTH LLP

Mealey's Subprime-Backed Securities Litigation Conference

Why you should attend

A feeding frenzy by predatory lenders writing questionable, adjustable rate mortgage loans for sub-par credit risks, lax underwriting procedures, and then a recent increase in interest rates—created a “perfect storm” leading to record numbers of housing foreclosures—sending a fiscal tsunami crashing over the world's largest financial institutions and smallest investors alike.

When you attend **Mealey's Subprime-Backed Securities Litigation Conference** you'll receive a comprehensive rundown on all the pertinent issues relating to the subprime meltdown. From the evolution of old savings and loan residential mortgages to today's complex securitization of bundled credit obligations and resulting litigation, you'll be prepared to properly advise your clients or company.

What is the status of the suits surrounding Merrill Lynch, Citigroup and other defendants embroiled in subprime-backed securities imbroglio? What are the prospects for litigation for investors in CDOs? How will D&O and E&O policies react to the suits? You'll find out when you attend this information-packed program led by high profile attorneys at the forefront of the litigation.

How you will benefit

- **Master the concepts** behind CDOs and other mortgage-backed securities
- Understand the problems relating to today's structured finance and resulting credit crises
- **Look inside the mortgage industry**, its underwriting, risk analysis procedures and loan approval technology
- Get up-to-date on who is suing whom and the status of **the recent wave** of securities complaints
- Learn the key elements necessary for proving or disproving fraud and negligent misrepresentation
- Find out what to look for when it comes to disclosures, disclaimers and limitations on standing.
- Learn the role played by rating agencies, insurers and the feds
- Acquire the skills necessary to **successfully prosecute or defend** mortgage-backed securities suits

You don't want to miss

A keynote address by **James Grant**, founder and editor of *GRANT'S Interest Rate Observer*. Grant's column appears in *Forbes* monthly. He originated and wrote the “Current Yield” column at *Barron's* for eight years, is the author of four books on finance and financial history, and has appeared on the *CBS Evening News*, *Nightly Business Report* and *60 Minutes*.

You'll network with

This conference is the ultimate place for partners, in-house counsel, risk managers and business executives from around the country to connect with colleagues, conduct business and trade results-orientated ideas.

Mealey's Subprime-Backed

March 6, 2008, The Harvard Club of New York City

Thursday, March 6, 2008

8:00 Registration and Continental Breakfast

9:00 Welcome and Introductory Remarks

David J. Grais, Grais & Ellsworth LLP, New York City

9:15 The Moving Parts in Subprime-Backed Securities

Part I: Mortgage Products and Loan Collateral

- Evolution of single-family residential mortgage products
- New mortgage business channels and their effect on credit, asset quality and overall risk
- Developments in underwriting and loan approval technology and risk analysis

Walter Morris, Ernst & Young LLP, Washington, D.C.

10:00 The Moving Parts in Subprime-Backed Securities

Part II: Residential Mortgage-Backed Securities

- Overview of the RMBS market
- Key participants in RMBS transactions and their specific roles and responsibilities
- Commonly used RMBS structures since 2000
- Changes in collateral pools since 2000

Skip Curth, Ernst & Young LLP, New York City

10:45 Morning Break

11:00 The Moving Parts in Subprime-Backed Securities

Part III: Collateralized Debt Obligations and Their Connection to Subprime Mortgages

- Basic CDO concepts
- Structure and nuances of CDOs with subprime RMBS assets
- Mathematical modeling of CDOs
- Risk analysis of CDOs and the limitation of mathematical modeling

Mark H. Adelson, Adelson & Jacob Consulting, LLC, New York City

12:00 Structured Finance and the Credit Meltdown

- The problem is structured finance
- Mortgages created the "perfect storm"
- Opportunities and threats in one-off policy fixes
- The political economy of structural changes

Professor Joseph R. Mason, Drexel University LeBow College of Business, The Wharton School and Criterion Economics, L.L.C., Philadelphia

and Securities Litigation Confe

12:45 Luncheon and Keynote Address

Luncheon sponsored by Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, P.C.

James Grant, Founder and Editor, *GRANT'S Interest Rate Observer*, New York City

2:15 CDOs, Asset Valuation and Subprime Litigation So Far

- Litigation to date arising from securitization of subprime mortgages
- Targets of litigation and theories under which they have been sued
- Emerging procedural, jurisdictional and insurance-related issues

Kevin M. LaCroix, OakBridge Insurance Services; Editor, *The D & O Diary*, Beachwood, Ohio

3:00 Prospects for Litigation by Investors in CDOs and other Subprime-Backed Securities

- Will there be litigation? Will governmental initiatives forestall litigation?
- Who will sue? Who will be sued?
- Elements of claims under federal and state securities law and common law of contract, fraud and negligent misrepresentation
- Potential vulnerabilities in the processes of origination, underwriting, appraisal, rating, servicing and reporting
- Limitations on standing
- Robustness of disclosures and disclaimers

Part I: A Buy-Side Perspective

David J. Grais, Grais & Ellsworth LLP, New York City

3:45 Afternoon Break

4:00 Prospects for Litigation by Investors in CDOs and other Subprime-Backed Securities

Part II: A Sell-Side Perspective

Veronica E. Rendon, Arnold & Porter LLP, New York City

4:30 Preparing for the Regulators

- Update on governmental investigations to date
- Whom will which agencies target and for what?
- Lessons from previous market-wide investigations
- What will investigations mean for investors and other participants in the market?

Jeremy H. Temkin, Morvillo, Abramowitz, Grand, Iason, Anello & Bohrer, P.C., New York City

5:15 General Discussion and Closing Remarks

5:30 Networking Reception

Sponsored by Ernst & Young

The Chair

David J. Grais is a partner in the litigation specialty firm Grais & Ellsworth LLP in New York City. An early student of the legal fallout of the subprime crisis, Mr. Grais is co-author of the widely discussed article "Not 'The World's Shortest Editorial': Why the First Amendment Does Not Shield the Rating Agencies From Liability for Over-Rating CDOs," published by *Bloomberg Law Reports*. Mr. Grais has advised numerous clients, investors and governmental officials on legal aspects of securities backed by subprime mortgages. Mr. Grais has represented clients for nearly three decades in disputes involving securities, insurance and reinsurance, and the performance of technical computer and communications systems. He was educated at Princeton University, Oxford University, and The Yale Law School and is a member of the American Law Institute.

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For recommended hotels, please call us at 1-800-MEALEYS.

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- Written materials on CD for \$199** (U.S. & Canada: Please add appropriate sales tax to your order.)
- Multimedia CD of this conference for \$325.** The CD includes audio recordings, written speaker materials and presentations. (U.S. & Canada: Please add appropriate sales tax to your order.)

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March 6, 2008

The Harvard Club of New York City

Insights from the insiders on the:

- Evolution of the residential mortgage market
- Structured finance and the credit meltdown
- Current litigation and potential investor suits
- Procedural, jurisdictional and insurance issues
- The impact of regulatory initiatives

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Mealey's Litigation Report: Mortgage Lending

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A keynote address by

James Grant,
Founder and Editor of GRANT'S
Interest Rate Observer

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