Davis Polk

CLIENT MEMORANDUM

SEC Adopts Money Market Fund Reforms

August 5, 2014

On July 23, 2014, the Securities and Exchange Commission (the "**SEC**") adopted significant amendments (the "**amendments**") to rules under the Investment Company Act of 1940 (the "**Investment Company Act**") and related requirements that govern money market funds ("**MMFs**"). The SEC's adoption of the amendments is the latest action taken by U.S. regulators as part of the ongoing debate about systemic risks posed by MMFs and the extent to which previous reform efforts have addressed these concerns. Meanwhile, the U.S. Treasury Department ("**Treasury**") and the Internal Revenue Service (the "**IRS**") released guidance on the same day setting forth simplified rules to address tax compliance issues that the SEC's MMF reforms would otherwise impose on MMFs and their investors.

The SEC amendments consist of two principal reforms to Rule 2a-7 under the Investment Company Act. These reforms were set out by the SEC as two alternative reforms in its June 2013 proposal.

- Institutional prime MMFs (as described in the sidebar) will be required to float their net asset values ("**NAVs**"). The reforms accomplish this by no longer permitting institutional prime MMFs to rely on the provisions of Rule 2a-7 that currently allow MMFs to maintain a stable $1 per share NAV.
- All MMFs will be permitted, and under some circumstances required, to impose liquidity fees and gates against investor redemptions, if an MMF's weekly liquid assets fall below specified thresholds, subject to action by the fund's board of directors.

The amendments also modify other requirements for all MMFs, including the Rule 22e-3 provisions relating to suspension of redemptions, and impose new disclosure and reporting requirements on MMFs. There will be a two-year compliance period for the two principal reforms listed above, while shorter compliance periods will apply to the SEC's other MMF reforms.

Notably, the SEC's adopting release contained a detailed analysis of several of the MMF reforms proposed by the Financial Stability Oversight Council in 2012, including NAV buffer and minimum balance at risk requirements, which were not implemented in the amendments. The SEC also considered the establishment of a private emergency liquidity facility or the regulation of MMFs as special purpose banks, as put forth by the 2010 President's Working Group Paper on MMF reform. The amendments will not modify the ability of an MMF sponsor to support the fund's operations through affiliate purchases of the MMF's securities, though it will require additional disclosure with respect to such support.

These reforms are of interest not only to sponsors and operators of MMFs, but also to institutional and retail MMF investors and to firms that issue

Contents

Background 2

Two Principal Reforms 3
First Reform: Floating NAV 3
Government MMFs and Retail MMFs Not Subject to Floating NAV Requirement 4
Second Reform: Liquidity Fees and Gates....4
*Exemption for Government MMFs*5
Suspension of Redemptions and Liquidation of MMFs....5

Tax Guidance....6
NAV Method of Accounting....6
Wash Sale Rules....7
Information Reporting....8

Portfolio Requirements 8
Portfolio Diversification....8
Portfolio Stress Testing....9

Disclosure and Reporting Requirements 9

Compliance Timing....10

Related Proposals....10

Institutional Prime MMFs

An **institutional prime MMF** is an MMF that does not qualify as a "government MMF" or "retail MMF" as those terms are described below. The institutional prime MMF category is designed to include MMFs that cater to institutional investors and that invest in a variety of short-term debt obligations issued by corporations and banks, as well as U.S. government securities, repurchase agreements and asset-backed commercial paper.

commercial paper and other types of short-term debt securities that currently are widely held by MMFs. The SEC's June 2013 proposal contained more than 1,000 questions and requests for comments with respect to the reforms included in the proposal as well as those not proposed by the SEC, which generated more than 1,400 comment letters from interested parties such as MMFs, investors, banks, investment advisers, government representatives and academics.

This memorandum provides a brief background on MMF reform efforts leading to these SEC rule changes, followed by an overview of the reforms, highlighting the principal reforms and those areas that have been the focus of debate among regulators and market participants.

Background

The reforms stem primarily from the 2008 financial crisis and come on the heels of several years of vigorous debate between regulators and industry participants, as well as among regulators themselves, regarding the optimal way to regulate the roughly $3.0 trillion MMF industry. The perception of MMFs as a potential source of systemic risk requiring heightened regulation became prevalent following the announcement in September 2008 that the Reserve Primary Fund would "break the buck" and the subsequent run on MMFs. Given the broad economic importance of MMFs in the short-term financing markets and their wide use as vehicles for savings, the U.S. government temporarily intervened to halt the run. Amendments to MMF regulations were adopted by the SEC in 2010 to reduce the interest rate, credit and liquidity risks of MMF portfolios and to prevent the occurrence of similar runs in the future. Reforms advocated in 2012 by former SEC Chairman Mary Shapiro, such as capital buffers and redemption holdbacks, were strongly opposed by industry participants and by three SEC Commissioners and were never brought to a Commission vote. The Financial Stability Oversight Council separately issued proposed recommendations for further MMF reform in November 2012, which suggested the adoption of one or a combination of three alternative frameworks for additional MMF regulation. Last June, the SEC issued its proposed amendments by unanimous approval of the Commissioners and such proposed amendments were adopted with modifications by a 3-2 vote on July 23, 2014. Concurrently, the SEC issued a proposed exemptive order for certain transactions in floating NAV MMFs and an additional proposal including a re-proposed amendment relating to the removal of credit rating references in Rule 2a-7 and Form N-MFP.

In the adopting release, the SEC highlighted four key factors that make MMFs susceptible to runs like the one experienced in 2008: (i) the generally high risk aversion of MMF investors and corresponding desire to avoid loss in times of stress; (ii) limited sources of internal liquidity to meet redemption requests; (iii) stable value pricing methods that create incentives for investors to redeem before others in the event of potential instability; and (iv) imperfect transparency regarding MMF risks, including the likelihood of government or sponsor support. The adopting release also discussed the potential for liquidity-induced contagion across the MMF industry. The

purpose of the amendments, as described by the SEC, is to mitigate MMFs' susceptibility to heavy redemptions, improve MMFs' ability to manage and thwart possible contagion from redemptions and increase the transparency of risks, while preserving, as much as possible, the benefits of MMFs for investors and the short-term financing markets.

As described below, the amendments contain two principal reforms for enhanced regulation of MMFs and include changes to certain MMF portfolio requirements as well as certain disclosure and reporting requirements.

Two Principal Reforms

The SEC adopted the two primary reforms to Rule 2a-7 contained in the SEC's June 2013 MMF reform proposal, with several significant modifications.

First Reform: Floating NAV

The first principal reform adopted by the SEC requires institutional prime MMFs to price and transact in their shares using a "floating" NAV by amending certain provisions under Rule 2a-7 that currently permit all MMFs to maintain a stable $1 share price through the use of amortized cost valuation of their portfolios and penny-rounding pricing of their shares, as described in the sidebar.

Amortized Cost Valuation and Penny-Rounding Pricing

The amortized cost method of valuation allows an MMF to value its portfolio securities at cost, plus any amortization of premium or accumulation of discount.

The penny-rounding method of pricing allows an MMF to round its share price to the nearest one percent (i.e., to the nearest penny in the case of a fund with a $1 share price).

Institutional prime MMFs will instead need to sell and redeem their shares at prices reflecting mark-to-market portfolio valuations, except in circumstances where the SEC has permitted use of amortized cost valuation by all mutual funds. Thus, the daily share prices of institutional prime MMFs, and the amount investors will pay and receive for those shares, will float in accordance with the mark-to-market value of the MMF's portfolio.

To potentially increase the visibility of a fund's share price sensitivity to fluctuations in the market values of portfolio securities, an institutional prime MMF will also be required to use a more precise "basis point" share pricing method and round its share prices to the nearest $1/100^{th}$ of one percent (i.e., to the fourth decimal place in the case of a fund with a $1 share price).

The SEC explained that the floating NAV reform is intended to address the incentive for shareholders to redeem shares ahead of other investors in times of fund or market stress, to reduce the likelihood of unfair investor dilution, and to improve the transparency of funds' investment risks through more transparent valuation and pricing methods. At the same time, the SEC acknowledged several potential limitations of the floating NAV reform, such as that it may not deter shareholder redemptions driven by a flight to quality or a desire to avoid further losses. The SEC further explained that it is attempting to address risks associated with these incentives by also adopting the other principal reform, which involves liquidity fees and gates and is described in more detail below.

Government MMFs and Retail MMFs

A **government MMF** is defined as an MMF that holds at least 99.5% of its total assets in cash, U.S. government securities and/or repurchase agreements collateralized with U.S. government securities. The SEC proposal would have defined a government MMF to include an MMF that held at least 80% of its total assets in those instruments. **Municipal MMFs** or **tax-exempt MMFs**, which are MMFs that primarily hold municipal securities (including tax-exempt municipal securities) will not be government MMFs, though they may separately qualify as retail MMFs.

A **retail MMF** is defined as an MMF that has policies and procedures reasonably designed to limit all beneficial owners of the fund to natural persons. This definition differs significantly from the proposed definition, which would have included as a retail MMF any MMF that prohibited any shareholder from redeeming more than $1 million from the fund in a single business day. The SEC modified this definition in response to comments to the proposed definition, which criticized the proposed definition as difficult and costly to implement.

Weekly Liquid Assets

Weekly liquid assets include cash, U.S. Treasury securities, certain other government securities with remaining maturities of 60 days or less and securities that convert into cash within five business days.

Government MMFs and Retail MMFs Not Subject to Floating NAV Requirement

Government and retail MMFs (as described in the sidebar) are not subject to the floating NAV requirement. In addition, unlike under the June 2013 proposal, government and retail MMFs may continue to rely on amortized cost valuation and/or the penny-rounding method of pricing to maintain a stable NAV.

Second Reform: Liquidity Fees and Gates

The second principal reform adopted by the SEC will enable, and in certain cases require, institutional prime MMFs and retail MMFs to impose liquidity fees and gates for redemptions during times of market stress, subject to determinations by an MMF's board of directors.

- ***Liquidity Fees***. The reforms include both mandatory and discretionary liquidity fees, subject to board discretion.
  - *Mandatory liquidity fee*. Rule 2a-7, as amended, will require an institutional prime MMF and a retail MMF to impose a one percent liquidity fee on all redemptions in the event that the MMF's weekly liquid assets, as defined in the sidebar, fall below 10% of its total assets (the "**lower liquidity threshold**"), unless the MMF's board of directors, including a majority of its independent directors, determines, in the best interest of the MMF, not to impose the liquidity fee, or to impose a lower or higher fee (not to exceed two percent).
  - *Discretionary liquidity fee*. The amendments will also permit all MMFs to impose a liquidity fee of up to two percent of redemptions in the event that the MMF's weekly liquid assets fall below 30% of its total assets (the "**higher liquidity threshold**"), if the fund's board of directors, including a majority of its independent directors, determines that the liquidity fee is in the fund's best interests.

  The proposal, in contrast, would have required an MMF (other than a government MMF) to impose a two percent liquidity fee in the event the MMF's weekly liquid assets fell below 15% of its total assets.

  Under the final rules, any liquidity fee, mandatory or discretionary, will be automatically lifted if an MMF's weekly liquid assets meet or exceed the higher liquidity threshold. An MMF's board of directors can, at any time, lift a liquidity fee before the MMF's weekly liquid assets level meets the higher liquidity threshold or modify the liquidity fee, if the board, including a majority of the independent directors, determines that doing so is in the best interests of the MMF.

- ***Gates***. If an MMF's weekly liquid assets fall below the higher liquidity threshold, the MMF's board of directors, including a majority of its independent directors, can impose a temporary suspension of redemptions (a "**gate**") if the board determines that such a gate is in the fund's best interests. A gate must be lifted

within 10 business days and an MMF may not impose “gates” for more than 10 business days within any 90-day period. A gate will be automatically lifted if the MMF’s weekly liquid assets meet or surpass the higher liquidity threshold. In addition, a gate can be modified or lifted at any time by the MMF’s board of directors, if the board, including a majority of independent directors, determines that the gate being imposed is no longer in the best interests of the MMF.

Under the final rules, an MMF will need to make additional disclosures related to liquidity fees and gates, including in its Form N-1A statement of additional information, of any occasion during the last 10 years (except for occasions that occurred prior to the compliance date) when the fund’s weekly liquid assets fell below the lower liquidity threshold, and, with respect to each such occasion, whether the fund’s board of directors imposed a liquidity fee or gate.

The SEC stated in its adopting release that liquidity fees can mitigate the risks of runs on MMFs in times of market stress by requiring redeeming shareholders to shoulder at least some of the liquidity costs of their redemptions and thus reducing their incentive to redeem during such periods. The gates can serve to halt runs by blocking redemptions long enough to allow (i) fund managers time to determine a strategy to meet redemptions, (ii) liquidity buffers to increase as portfolio securities mature and (iii) shareholders to assess the fund’s liquidity and for any shareholder panic or contagion to subside. As with the floating NAV reform, the SEC acknowledged several potential limitations of the liquidity fees and gates reform, including the possibility that it may not sufficiently address the lack of valuation transparency in the pricing of MMFs, and cited this as a reason for adopting the liquidity fees and gates reform in conjunction with the floating NAV reform.

Exemption for Government MMFs

The mandatory liquidity fee requirements do not apply to government MMFs. However, a government MMF can voluntarily impose liquidity fees and gates, if the fund’s prospectus discloses its ability to do so and the fund complies with the fees and gates requirements under the amended Rule 2a-7, as described above. Unlike the floating NAV reform, there is no exemption for retail MMFs from the liquidity fee and gate requirements.

Suspension of Redemptions and Liquidation of MMFs

Rule 22e-3 under the Investment Company Act exempts MMFs from the Act’s Section 22(e) provisions limiting the ability of registered funds to suspend redemptions of their shares. The amendments will permit, but not require, an MMF’s board of directors to permanently suspend redemptions and liquidate the MMF under certain conditions.

- *Floating NAV MMFs*. The amendments will permit the board of directors of a floating NAV fund (i.e., an institutional prime MMF) to suspend redemptions and liquidate the fund in the event that the fund, at the end of a business day, has less than 10% of its total assets in weekly liquid assets (which is the same as the lower

liquidity threshold that is used in the context of the liquidity fees and gates reform).

- *Stable NAV MMFs*. The amendments will permit the board of directors of a stable NAV fund (i.e., a government MMF or a retail MMF under the floating NAV reform) to suspend redemptions and liquidate the fund when either (i) the weekly liquid assets of a fund, at the end of a business day, fall below the lower liquidity threshold or (ii) the board of directors determines that material dilution or other unfair consequences may occur to investors or existing shareholders due to the difference between its amortized cost price per share and its NAV calculated based on market factors.

These are further modifications of Rule 22e-3, which was amended in 2010 to allow an MMF's board of directors to suspend redemptions and liquidate the fund based on a difference between amortized cost and market-based NAV.

Tax Guidance

In connection with the SEC's adoption of the MMF reforms, Treasury and the IRS released guidance setting forth simplified rules to address tax compliance issues that the SEC's MMF reforms would otherwise impose on MMFs and their investors. The new rules address computation of gains and losses from investments in floating NAV MMFs, the application of the "wash sale" rules to redemptions of shares of floating NAV MMFs and information reporting obligations. Although the guidance (other than the guidance with respect to the wash sale rules) is in the form of proposed Treasury regulations, taxpayers are permitted to rely on the proposed regulations pending the promulgation of final regulations.

NAV Method of Accounting

The proposed Treasury regulations provide that an investor in a floating NAV MMF may adopt a simplified method of accounting for gain or loss on its investment in the MMF. Institutional investors using MMFs for cash management purposes purchase and redeem MMF shares frequently. In the absence of a simplified method of accounting, these shareholders would be required to compute gain or loss on every redemption of shares in a floating NAV MMF, resulting in a severe compliance burden. The proposed regulations provide for a new method of accounting, the "NAV method," under which an investor in a floating NAV MMF may determine its gain or loss on the MMF shares for any taxable year or shorter computation period based on the aggregate change in value of the investor's shares in the MMF, adjusted to take into account the net amount of the investor's purchases and redemptions of shares the MMF during the period. Specifically, assuming that the relevant computation period is the investor's taxable year, the investor's net gain or loss for any taxable year would generally be equal to (i) the aggregate fair market value of the investor's shares in the MMF at the end of the year, *minus* (ii) the aggregate fair market value of the investor's shares in the MMF at the end of the immediately preceding year (or, for the first year in which the investor uses

the NAV method, the aggregate adjusted tax basis of the investor's shares in the MMF at the end of the immediately preceding year), *minus* (iii) an amount (which may be positive, negative or zero) equal to (A) the aggregate cost of the shares in the MMF that the investor purchased during the year (including through reinvestment of dividends) *minus* (B) the aggregate amount the investor received during the year in redemption of shares in the MMF or otherwise in exchange for shares in the MMF in taxable transactions.

The NAV method is a mark-to-market method, pursuant to which an investor takes into account changes in value of floating NAV MMF shares without regard to realization. Any capital gain or loss recognized under the NAV method is short-term. In addition to realizing net gain or loss at the end of each computation period, an investor using the NAV method would include in income any dividends it receives from the floating NAV MMF during the relevant computation period, regardless of whether the dividends are reinvested in shares of the MMF. An investor that adopts the NAV method for any floating NAV MMF must use that method for all floating NAV MMFs in which it holds shares.

The proposed regulations permit the use of the NAV method only by investors in floating NAV MMFs. If a stable NAV MMF imposes liquidity fees pursuant to the new SEC rules, investors in the MMF would recognize losses on redemption. Given that it may be difficult for these investors to keep track of numerous small losses, Treasury and the IRS have requested comments regarding whether the NAV method should be available to investors in a stable NAV MMF that has imposed a liquidity fee.

Wash Sale Rules

In general, under the "wash sale" rules, a taxpayer is not permitted to claim a loss on a disposition (including a redemption) of stock if it acquires substantially identical stock within thirty days before or after the sale. If the wash sale rules apply, appropriate adjustments are made to the basis of the newly acquired stock to account for the unrecognized loss. Given the substantial volume of transactions that are typical for investors in MMF shares, tracking wash sales could present significant practical challenges for investors in floating NAV MMFs. If an investor adopts the NAV method of accounting, the wash sale rules will not apply to redemptions of the investor's shares in floating NAV MMFs, because the NAV method does not require tracking of gains and losses on particular redemptions. Without further guidance, however, the wash sale rules would apply to redemptions of shares in floating NAV MMFs by investors that do not elect to use the NAV method of accounting. In order to prevent these investors from suffering an undue compliance burden, Treasury and the IRS have issued a revenue procedure providing that the wash sale rules will not apply to redemptions of shares in floating NAV MMFs, regardless of whether the investor has adopted the NAV method. This revenue procedure does not address the application of the wash sale rules to investors in stable NAV MMFs that have imposed liquidity fees.

Information Reporting

Mutual funds are subject to certain tax-related information reporting requirements pursuant to which they must provide information to redeeming investors to assist these investors in preparing their tax returns, including information with respect to the basis of the redeemed shares. Stable NAV MMFs are exempted from these requirements. The proposed Treasury regulations extend this exemption to floating NAV MMFs. Treasury and the IRS stated that they believe that imposing these requirements on floating NAV MMFs would result in administrative burdens that are not justified in light of the expected relative stability of floating NAV MMF share prices.

Portfolio Requirements

Portfolio Diversification

The amendments also seek to increase the diversification of MMF portfolios. In particular, the reforms alter the current diversification requirements of Rule 2a-7 by making the following three changes:

- *Aggregation of Affiliates*. An MMF must aggregate its exposure to affiliated entities when applying the issuer diversification limit under Rule 2a-7, which prohibits an MMF from investing more than five percent of its assets in any single issuer. Entities will be considered "affiliates" for these purposes if one entity controls or is controlled by the other entity or if the entities are under common control. "Control" is defined as ownership of more than 50% of an entity's voting securities. However, an MMF is not required to aggregate an asset-backed commercial paper special purpose vehicle ("**SPV**") with the SPV's equity owners, provided that (i) a primary line of business of those equity owners is owning equity interests in SPVs and providing services to SPVs, (ii) the independent equity owners' activities with respect to the SPV are limited to providing management or administrative services and (iii) no qualifying assets of the SPV were originated by the equity owners.
- *Treatment of sponsors of asset-backed securities as guarantors*. The amendments will require MMFs to treat a sponsor of asset-backed securities ("**ABS**") issued by special purpose entities as a guarantor of the ABS. The Rule 2a-7 diversification limitations for guarantors will thus apply, preventing an MMF from investing more than 10% of its total assets in securities issued by or subject to guarantees or demand features from the ABS sponsor. The amendments allow an exception from this treatment, however, in cases where an MMF's board of directors (or its delegate) determines that the fund was not relying on the ABS sponsor's financial strength or its ability or willingness to provide liquidity, credit or other support when determining the ABS's quality or liquidity.

- *Removal and reduction of the twenty-five percent basket.* For MMFs other than tax-exempt MMFs, the amendments will remove the so-called "twenty-five percent basket," under which a single institution could guarantee up to 25% of the value of securities held in an MMF's portfolio. Instead, Rule 2a-7's 10% diversification limit for guarantors and demand feature providers will apply. For tax-exempt MMFs, the basket will not be eliminated but will be reduced from 25% to 15%. Although the SEC proposed to eliminate the "twenty-five percent basket" for all MMFs last June, it considered the limited availabilities of guarantors and demand feature providers for tax-exempt funds and decided to adopt the amendment as modified.

Portfolio Stress Testing

The amendments include various reforms to enhance the stress testing requirements for MMF portfolios that were adopted as part of the 2010 SEC amendments to Rule 2a-7. For example, regardless of whether an MMF has a floating NAV or a stable NAV, an MMF will need to stress test its ability to avoid triggering the lower liquidity threshold employed as part of the liquidity fees and gates reform. In addition, an MMF will also need to stress test its ability to minimize principal volatility. Furthermore, a stable NAV MMF fund will need to stress test its ability to maintain a stable share price. These stress testing requirements are designed to evaluate the stresses that could lead an MMF to "break the buck" or to have a liquidity issue.

Disclosure and Reporting Requirements

Various additional MMF disclosure and reporting requirements are also included in the amendments, such as:

- disclosure of the imposition of liquidity fees and gates, as well as historical instances of support provided by the MMF sponsor;
- additional disclosure of the potential impact of a floating NAV and the tax consequences and effects in the case of a floating NAV MMF;
- daily website disclosure of both daily and weekly liquid asset levels, as well as net shareholder flows and the fund's current, market-based NAV;
- disclosure of certain significant events on new Form N-CR including, for example, portfolio security defaults;
- additional reporting on Form PF by advisers that advise a liquidity fund (as defined in Form PF) and manage at least $1 billion in MMF and liquidity fund assets combined, to include information required for MMFs on Form N-MFP; and
- additional reporting on Form N-MFP, to include, for example, the amount of cash and daily and weekly liquid assets the MMF holds.

If you have any questions regarding the matters covered in this publication, please contact any of the lawyers listed below or your regular Davis Polk contact.

Mary Conway
212 450 4959
mary.conway@davispolk.com

Nora M. Jordan
212 450 4684
nora.jordan@davispolk.com

Annette L. Nazareth
202 962 7075
annette.nazareth@davispolk.com

Gregory S. Rowland
212 450 4930
gregory.rowland@davispolk.com

Margaret E. Tahyar
212 450 4379
margaret.tahyar@davispolk.com

Jai R. Massari
202 962 7062
jai.massari@davispolk.com

Vanessa K. Rakel
212 450 4633
vanessa.rakel@davispolk.com

L]b[Yan
GFGÁ í €ÁFF€G
xing.yan@davispolk.com

Compliance Timing

The amendments will be effective 60 days after their publication in the *Federal Register*. The adopting release provides a two-year compliance period from the effective date for both the floating NAV reform and the liquidity fees and gates reform, including any related disclosure amendments. A compliance period of nine months from the effective date will apply to the requirements relating to new Form N-CR, and a compliance period of 18 months from the effective date will apply to the portfolio diversification, stress testing, Form PF, Form N-MFP and clarifying amendments and the other disclosure amendments.

Related Proposals

Concurrently with its adoption of the amendments, the SEC issued several additional MMF reform proposals. The SEC issued a notice of proposed exemptive order that would grant relief from certain confirmation requirements applicable to broker-dealers for qualified transactions in floating NAV MMFs. Comments to the SEC on the proposed exemptive order are due within 21 days after its publication in the *Federal Register*. The SEC also re-proposed amendments that were initially proposed in 2011, which relate to the removal of credit rating references in Rule 2a-7 and Form N-MFP. Comments to the SEC on these related proposals are due within 60 days after their publication in the *Federal Register*.

- **See a copy of the adopting release**
- **See a copy of the related proposals**
- **See a copy of the notice of proposed exemptive order**
- **See a copy of the Treasury/IRS proposed guidance**
- **See a copy of the Treasury/IRS final guidance**

© 2014 Davis Polk & Wardwell LLP | 450 Lexington Avenue | New York, NY 10017

Notice: This publication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. If you have received this email in error, please notify the sender immediately and destroy the original message, any attachments thereto and all copies. Refer to the firm's privacy policy located at davispolk.com for important information on this policy. Please consider adding Davis Polk to your Safe Senders list or adding dpwmail@davispolk.com to your address book.

Unsubscribe: If you would rather not receive these publications, please respond to this email and indicate that you would like to be removed from our distribution list.