NIXON PEABODY LLP
ATTORNEYS AT LAW

401 9th Street N.W.
Suite 900
Washington, DC 20004-2128
(202) 585-8000
Fax: (202) 585-8080
Direct Dial: (202) 585-8255
E-Mail: kkramer@nixonpeabody.com

December 17, 2010

VIA ELECTRONIC MAIL

Mr. Gary Cohen, Esq.
General Counsel
Financial Crisis Inquiry Commission
1717 Pennsylvania Ave., NW
Suite 800
Washington, D.C. 20006

Re: Letter Regarding FCIC Report

Dear Mr. Cohen:

We write on behalf of our client, Enrico Dallavecchia, having now reviewed the Memorandum for the Record prepared by the staff of the Financial Crisis Inquiry Commission ("FCIC") regarding the staff's interview of Mr. Dallavecchia.

You previously advised us that the FCIC may cite Mr. Dallavecchia's comments in its forthcoming report and that it may make the Memorandum itself publicly available. We thus appreciate your courtesy in allowing us to review a copy of the Memorandum. As you know, the interview itself was neither recorded nor transcribed, so the Memorandum is inherently imprecise. We think it appropriate, therefore, that the Memorandum itself explicitly notes that it is not, and does not purport to be, a transcript. We presume that neither the FCIC nor others would assert that the contents of the Memorandum reflect Mr. Dallavecchia's exact words.

The Memorandum purports to quote Mr. Dallavecchia in a few instances. We do not believe that all of those quotations are accurate. By way of example, the Memorandum indicates that Mr. Dallavecchia stated that Fannie Mae had the ability to manage risk enterprise-wide, but it then purports to quote him as saying that "this isn't a bar that's extraordinarily high to clear." We do not believe that Mr. Dallavecchia used that phrase during the interview.

Aside from the inaccurate quotations, we believe that the Memorandum both mischaracterizes certain documents and inaccurately reflects or omits many of Mr. Dallavecchia's statements. Without attempting to identify them all, we note three such examples below:

- The Memorandum indicates that Mr. Dallavecchia "hired Angela Isaac from Protivi *[sic]*." Memo. at 4. In fact, Mr. Dallavecchia advised the staff that Ms. Isaac had been hired from Protiviti before he arrived at Fannie Mae.

- The Memorandum indicates that Mr. Dallavecchia imposed a $5-10 billion limit on Fannie Mae's purchases of "AAA tranches of subprime mortgages." *Id.* In fact, Mr. Dallavecchia stated that the Chief Risk Office imposed a $5 billion limit on Fannie Mae's purchases of subprime whole loans.

- The Memorandum claims that Dan Mudd stated in an October 28, 2006, e-mail "that overconcentration in subprime was a problem, and promised to come down hard against it." *Id.* In fact, Mr. Mudd's e-mail does not say any such thing. Rather, Mr. Mudd's e-mail acknowledged that Mr. Dallavecchia's concerns were "a serious matter" and added that he and Mr. Dallavecchia would "come down hard" if the "facts were supportive."

Again, these are not the only mistakes we noted in the Memorandum. But recognizing that it is not a transcript, we do not believe it would serve any purpose to try to correct them all. Nonetheless, if the FCIC intends to refer to any of Mr. Dallavecchia's statements in its report, we respectfully renew our request to review those citations before the report is released to the public to ensure that they are accurate. In addition, if the FCIC elects to make the Memorandum publicly available, we respectfully request that it also ensure that a copy of this letter is made publicly available, readily accessible, and clearly identified as relating to the Memorandum.

Thank you for your consideration. Please do not hesitate to contact us should you have any questions.

Best regards,

Kelly B. Kramer

cc: Jeffrey Kilduff
Cassidy Waskowicz
Sarah Zuckerman
Sarah Knaus

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