

LATEST STATUS REPORT ON THE BAILOUT PLAN

House Speaker Pelosi is characterizing the negotiations between the House, Senate and Administration as producing “an agreement in principle” while Senate Majority Leader Reid indicates that legislative drafting has begun. Speaker Pelosi continues to insist that there are going to be offsets for some of the bailout spending but still is not providing any specifics. It now appears that getting the package passed and sent to the President will probably go through the weekend, and the Democratic leadership is scheduling sessions for Saturday and possibly Sunday. President Bush will meet with House and Senate leadership (both parties) and Senator McCain and Senator Obama this afternoon at 4:00 pm, and while that meeting is not itself expected to produce any breakthroughs, the statements made when it is over may provide some additional insights into what has been agreed to by all sides.

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This alert was prepared by Gregory B. Astrachan and Russell Smith. If you have any questions about this memorandum, please contact the foregoing or any of the members of the WF&G Government Rescue and Credit Crisis Task Force listed below or the attorney with whom you regularly work. The Task Force (which includes UK insolvency professionals from our strategic ally, Dickson Minto W.S., and attorneys from our European offices) was formed to respond to client questions and provide targeted advice in connection with the proposed Government bailout and the credit crisis (including the Lehman Brothers Holdings Inc. bankruptcy).

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