

## **UPDATE: The Financial Crisis Inquiry Commission**

### **The FCIC Names Five Senior Staff Members and Prepares to Proceed**

**November 18, 2009**

The Financial Crisis Inquiry Commission (FCIC or the Commission), the bipartisan entity appointed by Congress to explore the events surrounding the September 2008 financial market meltdown, announced yesterday the appointment of five additional senior-level members to its investigative staff under Executive Director Thomas Greene. The staff members have a range of law enforcement and private sector investigative, securities, white collar, and financial market expertise. They are as follows:

- **Bart Dzivi** was appointed as Special Counsel to the Commission. Dzivi has served as counsel for the Federal Home Loan Bank, where he handled enforcement matters and supervised investigative auditors during the savings-and-loan crisis. Dzivi was also counsel to the U.S. Senate Banking Committee, where he organized investigative hearings on savings-and-loan issues. He previously served in the private sector at several law firms with an emphasis on banking litigation and policy matters.
- **Martin Biegelman** was named an Assistant Director for the Commission. He was most recently director of financial integrity for Microsoft Corporation, where he led a global investigative program focused on fraud and corruption. Biegelman has taken a leave of absence from Microsoft to join the commission staff. He previously conducted internal corporate investigations in the private sector and was a law enforcement official for the U.S. Postal Inspection Service.
- **Thomas L. Krebs** was appointed as an Assistant Director and Deputy General Counsel to the Commission. Krebs is the former director of the Alabama Securities Commission. He is a former president of the North American Securities Administrators Association and the founder of a six-state task force that prosecuted financial crimes.
- **Bradley J. Bondi** was appointed as an Assistant Director and Deputy General Counsel to the Commission. Bondi was previously a partner with the law firm of Kirkland & Ellis, where he investigated and litigated complex financial and securities cases. He briefly served as counsel

at the Securities and Exchange Commission, where he advised commissioners on improving agency enforcement. Bondi also teaches securities law at Georgetown University Law Center and George Mason Law School.

- **Dixie Noonan** was named Investigative Counsel. At the law firms of Sullivan & Cromwell and O'Melveny & Myers, she worked on complex securities cases and conducted internal investigations for corporate boards and audit committees.

Although the Commission has been publicly silent since its only public meeting on September 17, it is anticipated that the pace will quickly increase as the staff assumes its duties. We anticipate that in the coming weeks we will see the publication of the Commission's website, its rules of procedure, and future calendar of public hearings. For now, however, we anticipate that yesterday's announcement of senior staff appointments signals the Commission's intent to begin moving more aggressively toward the key aspects of its investigation, including document requests and witness interviews.

Indeed, in recent days, FCIC Chairman Phil Angelides stated that although the Commission had not issued any subpoenas, it has begun its review of publicly available documents, such as "regulatory filings." In that regard, Chairman Angelides has made clear that he expects parties to respond to voluntary requests for information. In one interview, he commented, "Our biggest concern, and we won't let people do it, is that there will be some people with trillions of dollars at stake that they want to protect . . . [t]hey'll try to run out the clock on us." To combat such tactics, both Angelides and the Vice Chairman Bill Thomas have pledged "to shame those who don't cooperate voluntarily."

The Commission also has begun meeting privately with senior government officials, including Treasury Secretary Timothy Geithner, Federal Reserve Chairman Ben S. Bernanke, and U.S. Securities and Exchange Commission Chairman Mary Schapiro, to gather background and seek cooperation in governmental document production.

Given the Commission's slow start and current pace, we anticipate that the bulk of materially significant public hearings will not take place until well into next year. However, we expect that document requests will be issued very soon and anticipate at least one public hearing by the end of December.

Morgan Lewis is well poised to assist your firm to deal with each facet of this investigation as it progresses. Our previous alerts concerning this investigation can be found on our website at <http://www.morganlewis.com/index.cfm/fuseaction/practiceArea.showPublications/nodeID/b490bbc9-a461-4676-8f7e-af7ab1015e2d/practiceAreaID/1042eddc-8496-475e-80c7-a40eb4fbfa1f/>.

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