



**Paul N.
Watterson, Jr.**
Of Counsel

Contact

+1 212.756.2563

paul.watterson@srz.com

919 Third Avenue

New York, NY 10022

Concentrates in structured product and derivative transactions, the formation and representation of credit funds, and capital markets regulation.

Paul is counsel to many participants in the securitization, credit and derivatives markets. He represents underwriters, issuers and managers in structured financings, including collateralized loan obligations (CLOs). He is involved in many structured finance transactions that use credit derivatives, including regulatory capital transactions and repackagings.

Schulte is widely acknowledged as having the nation's premier investment management practice, and Paul advises many private investment funds on their transactions in derivatives and asset-backed securities, portfolio purchases and sales, and formation of risk retention vehicles. He has also been active in the creation of derivative products that reference hedge funds.

Paul is listed in *The Best Lawyers in America*, *Chambers Global*, *Chambers USA*, *Expert Guide to the Best of the Best USA*, *Expert Guide to the World's Leading Banking, Finance and Transactional Law Lawyers*, *The Legal 500 United States* (Hall of Fame), *New York Super Lawyers* and *PLC Which Lawyer? Multi-jurisdictional Guide: Capital Markets: Derivatives*.

Paul served as a law clerk to the Honorable Leonard I. Garth, U.S. Court of Appeals for the Third Circuit, and then as Assistant to the Mayor of the City of New York.

Practices

DERIVATIVES

FINANCE

FINANCIAL INSTITUTIONS

PRIVATE CREDIT

STRUCTURED FINANCE

Bar Admissions

New York

Clerkships

Hon. Leonard I. Garth, US Court of Appeals, Third Circuit

Education

Harvard Law School, J.D.,
magna cum laude

▪ Editor, *Harvard Law Review*

Princeton University, A.B.,
cum laude

Representations

- Representation of investment funds and dealers in derivative products.
- Representation of fund managers in the formation of funds.
- Representation of underwriters, issuers, credit enhancers and investment managers in securitizations (including CLOs and collateralized bond obligations (CBOs)) and structured financings.

Publications

- “Regulatory Agencies Request Comments on Proposed Amendments to the Volcker Rule Which Will Affect Collateralized Loan Obligations,” *Schulte Alert*, Jan. 31, 2020
- “SEC Staff Publishes Statement on LIBOR Transition,” *Schulte Alert*, July 18, 2019 (co-author)
- “U.S. CLOs: The End of U.S. Risk Retention for Collateral Managers?” *The International Comparative Legal Guide to: Securitisation 2018* (Global Legal Group) (contributor)
- “Current Issues in the CLO Market: As of February 2017,” *The International Comparative Legal Guide to: Securitisation 2017* (Global Legal Group) (co-author)
- “Implications of Lehman Brothers Decision on Hedge Fund Managers Trading CDOs,” *The Hedge Fund Law Report*, July 28, 2016 (interview)
- “CLOs and Risk Retention in the U.S. and EU: Complying with the Rules,” *The International Comparative Legal Guide to: Securitisation 2016* (Global Legal Group) (co-author)
- “New Margin Requirements for Uncleared Swaps,” *Harvard Business Law Review Online*, Vol. 5, 2015 (co-author)
- “CLOs and Risk Retention,” *The International Comparative Legal Guide to: Securitisation 2015* (Global Legal Group), April 2015 (co-author)
- “New 2014 ISDA Credit Derivatives Definitions to Go into Effect — Protocol Adherence Period Open,” *Schulte Client Alert*, Sept. 8, 2014 (co-author)
- “CLO 3.0: The Impact of Regulations,” *The International Comparative Legal Guide to: Securitisation 2014* (Global Legal Group), May 2014 (co-author)
- “Margin Costs of OTC Swap Clearing Rules,” *3 Harv. Bus. L. Rev. Online* 152 (2013) (co-author)

- “CLOs: An Expanding Platform,” *The International Comparative Legal Guide to: Securitisation 2013* (Global Legal Group), April 2013 (co-author)
- “Update for Swap Counterparties: ISDA’s Dodd-Frank Protocol – Addition of Addendum I,” *Schulte Client Alert*, Oct. 5, 2012 (co-author)
- “ISDA Publishes Tri-party IA Notices for the Custody of Collateral for OTC Swap Counterparties,” *Schulte Client Alert*, Sept. 4, 2012 (co-author)
- “Update for Swap Counterparties: New Web Portal Launched to Assign CFTC Interim Compliant Identifiers,” *Schulte Client Alert*, Aug. 23, 2012 (co-author)
- “The New Derivatives Definitions — What Fund Managers Need to Know,” *Schulte Client Memorandum*, Aug. 21, 2012 (co-author)
- “New Structural Features for Collateralised Loan Obligations,” *The International Comparative Legal Guide to: Securitisation 2012* (Global Legal Group), April 2012 (co-author)
- “Dodd Frank – One Year On,” *VC Experts*, September 2011 (co-author)
- “SEC Proposal on Prohibition Against Conflicts of Interest in Certain Securitizations,” *Schulte Client Alert*, Sept. 22, 2011 (co-author)
- “Dodd Frank – One Year On,” *International Financial Law Review*, August 2011 (co-author)
- “On the CLO Horizon — Regulations Expected to Impact CLOs,” *The International Comparative Legal Guide to: Securitisation 2011* (Global Legal Group), May 2011 (co-author)
- “What the Changes Really Mean,” *International Financial Law Review Derivatives Guide*, July/August 2010 (co-author)
- “New Bullet LCDS Contract Replaces Cancellable Contract,” *Pratt’s Journal of Bankruptcy Law*, Volume 6, No. 4, June 2010 (co-author)

- "ISDA Publishes New Bullet LCDS Documentation," *Schulte Client Alert*, April 8, 2010
- "Federal Reserve Board Announces TALF Eligibility for Legacy CMBS, Revises Terms & Conditions and FAQ Documents," *Schulte Client Alert*, May 22, 2009
- "U.S. Treasury Announces Public-Private Investment Program," *Schulte Client Alert*, March 25, 2009
- "TALF Program Increased to \$1 Trillion and to Provide Financing for Commercial Mortgage-Backed Securities," *Schulte Client Alert*, February 11, 2009
- "Financing Available for Investors in Asset-Backed Securities from the Federal Reserve Bank of New York Under the TALF Program," *Schulte Client Alert*, February 9, 2009
- "CFTC 'Event Contracts' Concept Release May Lead to New, Uncorrelated Trading Opportunities," *Schulte Client Alert*, May 13, 2008
- "New Amendments to Bankruptcy Code Favor Financial Contract Participants," *Schulte Client Alert*, April 15, 2005
- "The Evolution of the CDO Squared," *The Journal of Structured Finance*, Spring 2005
- "NASD Releases Notice to Members Regarding Obligations when Selling Non-Conventional Investments," *Schulte Client Alert*, November 2003
- "Securing a Rating for Collateralized Fund Obligations," *IFLR*, January 2003
- "CDOS 101: Everything you want to know but were afraid to ask," *Loan Market Week*, Nov. 18, 2002
- "Credit Default Swaps on Asset-Backed Securities," *Credit*, November 2002
- "Learning Curve. Four Forms of Synthetic CDOs," *Derivatives Week*, June 10, 2002

- "Structured Hedge Fund Products," *Schulte Investment Management Developments*, Summer 2002
- "Offering Private Investment Funds in The Capital Markets," *Alternative Investment Quarterly, Issue 1*, October 2001
- "The Bankruptcy Reform Act of 2001: Protections for Asset Backed Securitizations," *Schulte Client Alert*, March 2001
- "Are Real Estate Brokerage and Real Estate Management Financial Activities?," *Banking and Financial Services Policy Report*, March 1, 2001
- "Procedures to Engage in Financial Activities, Part II," *Banking & Financial Services Policy Report*, March 1, 2001
- "Procedures to Engage in Financial Activities, Part I," *Banking & Financial Services Policy Report*, Feb. 1, 2001
- "Federal Reserve Board and Secretary of the Treasury Propose Rule to Consider Real Estate Brokerage and Real Estate Management Financial Activities," *Memo*, January 1, 2001
- "Procedures to Engage in Financial Activities," *Memo to interested clients*, Jan. 3, 2001
- "Credit Derivatives 2000: Legal and Regulatory Update," *2000 Futures & Derivatives Law Report*, April 2000
- "Operating Standards that Fed Proposes to Remain for BHCs," *Memo to interested clients*, March 11, 2000
- "Understanding the Banking Industry Under the Gramm-Leach-Bliley Act," *Banking Policy Report*, Feb. 22, 2000
- "Financial Modernization Legislation," *Standard & Poor's*, January 2000
- "Commercial Mortgage Securitization," *Securities and Commodities Regulation*, 1999
- "SEC Approval of OTC Derivatives Dealers Regulatory Framework," *Schulte Client Alert*, November 1998

- “Credit Derivatives 1997: Recent Legal and Regulatory Developments,” *Futures & Derivatives Law Report*, March 1997
- “Adviser: Tread Carefully in Fancy Products,” *The American Banker*, July 25, 1995
- “Commercial Mortgage Securitization,” *Securities & Commodities Regulation*, *Standard & Poor’s*, September 1994
- Contributing Editor, *Banking and Lending Institution Forms* (author of chapter on Foreign Banks)
- “Compliance and Derivative Products,” *Securities Industry Management*, September 1993
- Chapter on Banking, *Corporate Finance Global Investor*, November 1992
- Staff of the New York Superintendent of Bank’s Advisory Committee on Transnational Banking Institutions

Speaking Engagements

- “Distressed Investments: Structured Products,” Schulte 23rd Annual Private Investment Funds Seminar, January 2014
- “Investing in CLOs,” MFA/Schulte Collateralized Loan Obligations: Investing, Structuring and Managing, September 2013
- “Investing in Corporate Credit,” Schulte 22nd Annual Private Investment Funds Seminar, January 2013
- “ISDA’s Dodd-Frank Protocol: What the Buy-Side Needs to Know,” Schulte Webinar, August 2012
- “Leverage for Investment Funds,” Schulte 21st Annual Private Investment Funds Seminar, January 2012
- “The Return of CLOs: Changes That Matter to Managers and Investors,” Schulte Audio Conference Series, July 2011
- “Distressed Investing,” SCI’09 Conference New York, November 2009
- “Update on Regulation of Funds and Fund Managers,” Schulte Audio Conference Series, June 2009
- “Participating in Public-Private Investment Funds Sponsored by the U.S. Treasury, and Updates on TALF,” Schulte Audio Conference Series, March 2009
- “Accessing the Term Asset-Backed securities Loan Facility (TALF) and the U.S. Treasury Proposal to Create a Public-Private Fund,” Schulte Audio Conference Series, March 2009
- “Acquiring and Financing Distressed Assets,” Schulte 18th Annual Private Investment Funds Seminar, January 2009
- Structured Credit Conference, Structured Credit Investor (2007, 2008, 2009)
- Annual ABS East and ABS West Conferences
- American Securitization Forum 2006 Las Vegas Conference

- Credit Derivatives Conferences
 - Private Investment Management Conference
 - Annual Derivatives Conference, “Regulation of Complex Derivative Products,” Investment Management Institute
 - International Business Communications, “Compliance in OTC Derivative Operations”
-

Memberships

- New York City Bar Association
 - Glynwood Center
-

Distinctions

- *The Best Lawyers in America*, 2008-2020
- *Chambers Global*
- *Chambers USA*, 2006-2018
- *Expert Guide to the Best of the Best USA* (Structured Finance and Securitisation)
- *Expert Guide to the World's Leading Banking, Finance and Transactional Law Lawyers* (Capital Markets, Structured Finance and Securitisation)
- *The Legal 500 US*, 2008-2017
 - Leading Lawyer, Structured Finance Derivatives and Structured Products
 - Hall of Fame
- *New York Super Lawyers*, 2006-2018
- *PLC Which Lawyer? Multi-jurisdictional Guide: Capital Markets: Derivatives*, 2012

Prior Experience

- Assistant to the Mayor of the City of New York, 1979-80
- Chase Manhattan Bank, London and New York 1973-75