

MEMORANDUM

TO: File No. S7-08-10

FROM: Katherine Hsu
Chief
Office of Structured Finance
Division of Corporation Finance

DATE: August 24, 2011

RE: Meeting with Representatives of Intex Solutions, Inc.

On August 24, 2011, James Burns, SEC Deputy Chief of Staff, and Katherine Hsu in the Division of Corporation Finance met with:

- Tony Hatoun, Co-President, Intex Solutions, Inc.
- Kevin McCarthy, Managing Director, Intex Solutions, Inc.
- Bradley Bondi, Partner, Cadwalader, Wickersham & Taft LLP
- H. Joshua Kotin, Attorney at Law, Buckley Sandler LLP

The participants discussed the Commission's April 2010 proposing release relating to asset-backed securities, including the waterfall computer program proposal discussed in that release. The handout from the meeting is attached.

Attachment

WHICH IS MORE TRANSPARENT?

THIS SECTION OF A WATERFALL FROM A PROSPECTUS ...

(iii) to pay principal to the Class A, Class M-1, Class M-2, Class B-1 and Class B-2 Notes, sequentially, in that order, in an aggregate amount equal to the Principal Payment Amount for such Payment Date, and in each case until the respective Note Principal Balance of such Class has been reduced to zero;

“Principal Payment Amount” means, with respect to any Payment Date, the portion of the Available Payment Amount for such Payment Date that is allocable to principal collections on the Contracts received during the related Remittance Period.

... OR ITS EQUIVALENT PYTHON COMPUTER PROGRAM?

```
def calc_pda_amounts( distrib_amt, tranche_cfs, period ) :
```

```
    pda_amounts = {}
```

```
    pda_amounts['A'] = min( distrib_amt, tranche_cfs['A','balance',period-1] )
```

```
    pda_amounts['M1'] = min( distrib_amt - pda_amounts['A'], tranche_cfs['M1','balance',period-1] )
```

```
    pda_amounts['M2'] = min( distrib_amt - pda_amounts['A'] - pda_amounts['M1'], tranche_cfs['M2','balance',period-1] )
```

```
    pda_amounts['B1'] = min( distrib_amt - pda_amounts['A'] - pda_amounts['M1'] - pda_amounts['M2'], tranche_cfs['B1','balance',period-1] )
```

```
    pda_amounts['B2'] = min( distrib_amt - pda_amounts['A'] - pda_amounts['M1'] - pda_amounts['M2'] - pda_amounts['B1'], tranche_cfs['B2','balance',period-1] )
```

```
    return ( pda_amounts )
```

```
def pay_principal ( bucket_bal, tranche_cfs, tranche_name, period, pda_amounts ) :
```

```
    pay_princ_amt = min( bucket_bal, pda_amounts[tranche_name] )
```

```
    tranche_cfs[tranche_name,'princ_paid',period] = pay_princ_amt
```

```
    tranche_cfs[tranche_name,'princ_short',period] = max( 0, pda_amounts[tranche_name] - tranche_cfs[tranche_name,'princ_paid',period] )
```

```
    bucket_bal = max( 0, bucket_bal - pay_princ_amt )
```

```
    tranche_cfs[tranche_name,'balance',period] = tranche_cfs[tranche_name,'balance',period-1] - pay_princ_amt
```

```
    return ( bucket_bal, tranche_cfs )
```

MAIN SECTION

```
pda_amounts = calc_pda_amounts( distrib_amt, tranche_cfs, period )
```

```
( root_cash, tranche_cfs ) = pay_principal( root_cash, tranche_cfs, 'A', period, pda_amounts )
```

```
( root_cash, tranche_cfs ) = pay_principal( root_cash, tranche_cfs, 'M1', period, pda_amounts )
```

```
( root_cash, tranche_cfs ) = pay_principal( root_cash, tranche_cfs, 'M2', period, pda_amounts )
```

```
( root_cash, tranche_cfs ) = pay_principal( root_cash, tranche_cfs, 'B1', period, pda_amounts )
```

```
( root_cash, tranche_cfs ) = pay_principal( root_cash, tranche_cfs, 'B2', period, pda_amounts )
```