

**Amend Section 546(e) as follows:**

(e) Notwithstanding sections 544, 545, 547, 548(a)(1)(B), and 548(b) of this title, the trustee may not avoid a transfer that is a margin payment, as defined in section 101, 741, or 761 of this title, or settlement payment, as defined in section 101 or 741 of this title, made by or to (or for the benefit of) a commodity broker, forward contract merchant, stockbroker, financial institution, financial participant, or securities clearing agency, or that is a transfer made by or to (or for the benefit of) a commodity broker, forward contract merchant, stockbroker, financial institution, financial participant, or securities clearing agency, in connection with a securities contract, as defined in section 741(7), commodity contract, as defined in section 761(4), or forward contract, that is made before the commencement of the case, except

- (1) a transfer that is otherwise avoidable under section 548(a)(1)(A) of this title; or
- (2) a transfer that is otherwise avoidable under section 544, 545, 547, 548(a)(1)(B) or 548(b) of this title, but only to the extent such transfer is a redemption payment, principal payment, dividend payment, interest payment or other distribution on or in respect of a security, made for the benefit of the beneficial holder of the security, by or on behalf of the issuer of the security or another entity obligated with respect to the security.

**Add a new Subsection (g) to Section 550 as follows:**

(g) The trustee may not recover any transfer of a kind described in section 546(e)(2), except from the entity that is the beneficial holder of the security on or in respect of which such transfer is made.

**Note: The Section 546(e) portion of the foregoing is identical to the Drafting Committee report of July 23, 2008. The Section 550(g) portion has been changed.**