



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429-9990

March 1, 2011

TO: Voluntary Disclosure File

FROM: Federal Deposit Insurance Corporation

SUBJECT: Meeting with Financial Services Firms, Implementation of the Dodd-Frank Act (February 16, 2011)

In a January 11, 2011 letter to Chairman Bair, Glenn Schorr of Nomura Equity Research requested that Chairman Bair meet with several executives of major financial services firms to discuss various issues surrounding implementation of the Dodd-Frank Act ("DFA"). A meeting between financial services firm representatives and FDIC staff members took place on February 16, 2011, at the FDIC. The discussion focused on recent FDIC rulemaking activities, DFA implementation efforts and the overall economic climate.

FDIC staff responded to a number of questions regarding the FDIC's Final Rule on Assessments, issued February 7, 2011 and effective April 1, 2011 ("Final Rule"). The parties discussed the long-term unsecured debt adjustment to assessment rates and bankers' concerns about potential reductions in short-term margins upon issuance of such debt. There was also discussion about rebuilding the Deposit Insurance Fund (DIF). FDIC staff discussed the impact of the Final Rule on large and small banks, as well as the FDIC's overall focus on a steady trajectory for rebuilding the DIF. Additional discussion centered on trust preferred securities (TRPs), and FDIC staff asked the financial services firm representatives for their views on the role of TRPs in the recent crisis. It was generally agreed that convertible preferred securities performed better than TRPs.

The financial services firm representatives also asked about changes in the supervisory process as a result of the recent financial crisis. The parties discussed trends toward a more horizontal analysis of how banks are making money. In general discussions about the evolution of the stress testing process and the development of resolution plans under DFA, FDIC staff noted that discussions among the agencies are in the early stages, although implementation efforts are progressing in accordance with the DFA timeline.

The parties also discussed interest rate and credit risk issues generally. FDIC staff noted continuing efforts to encourage banks to focus on these issues as part of the supervisory process.

February 16, 2011 Meeting with Financial Services Firm Representatives

Financial Services Firm Representatives

<u>Name</u>	<u>Title/Firm</u>
Bryan M. Beauchesne	Portfolio Manager, PioneerPath Capital
Scott Bowen Evans	Title not provided, Millenium Partners
Brian Foran	Managing Director, Nomura Investment Securities
Christopher Todd Fortune	Vice President, T. Rowe Price Associates, Inc.
Glenn Schorr	Managing Director, Nomura Investment Securities
Mark Schuermann	Executive Director, Nomura Investment Securities
Reed W. Schwandt	Portfolio Manager, PioneerPath Capital
William T. Seddon	Analyst, Pyramis Global Advisors
Brendan S. Walsh	Macro/Financial Analyst, Discovery Capital Management
Wallis Wilkinson	Analyst, Goldman Sachs Investment Partners

FDIC Representatives

<u>Name</u>	<u>Title</u>
Annmarie Boyd	Counsel, Legal
Jason Cave	Deputy to the Chairman
Roberta McInerney	Deputy General Counsel, Legal
Arthur Murton	Director, Division of Insurance and Research
Christopher Newbury	Associate Director, Division of Insurance and Research
Marc Steckel	Associate Director, Division of Insurance and Research
James Wigand	Director, Office of Complex Financial Institutions