



Federal Deposit Insurance Corporation

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

March 15, 2011

MEMORANDUM OF MEETING

FROM: Federal Deposit Insurance Corporation

SUBJECT: Meeting on February 24, 2011, with Representatives of the Financial Services Roundtable (“FSR”) regarding the Implementation of Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“DFA”).

On January 20, 2011, the Financial Stability Oversight Council (“FSOC”) approved a “Study & Recommendations on Prohibitions on Proprietary Trading & Certain Relationships with Hedge Funds & Private Equity Funds” (“FSOC Study”), as required by Section 619 of the DFA (“Section 619” (also known as the “Volcker Rule”). The DFA requires that within 9 months of the FSOC Study, the appropriate Federal banking agencies, the Securities and Exchange Commission, and the Commodity Futures Trading Commission adopt regulations implementing Section 619. For purposes of the FSOC Study, the FSR provided a comment letter dated November 5, 2010 (“FSR Comment Letter”).

In connection with the agencies’ development of the Volcker Rule NPR, on February 24, 2011, representatives of the FSR met with representatives from the FDIC’s Division of Risk Management Supervision (“RMS”) and the Legal Division.

At this meeting, the FSR representatives addressed comments it had made in the FSR Comment Letter on such topics as the following:

- Proprietary Trading: (1) asset/liability management and treasury activities, (2) the risk-mitigating hedging exception, and (3) loan trading and securitization issues;
- Hedge Fund and Private Equity Fund Investment Restrictions: (1) definition of “customer,” “hedge fund,” “private equity fund,” and “banking entity,” (2) designation of additional “similar” private funds under section 13(h)(2); (3) treatment of directed trustees for purposes of the exemption category in section 13(d)(1)(G); (4) the scope of private funds and employee investments covered by the 3 percent investment limit in section 13(f)(1); and

- *Compliance Program Requirements*: issues involving compliance with the Volcker Rule's final rule during the delayed implementation of the rule during the period covered by section 13(c) and implementing rules issued by the Federal Reserve Board.

Attendees List

Nancy Hunt	Capital Markets Branch, RMS, FDIC
Bob Bean	Capital Markets Branch, RMS, FDIC
John Thomas	Legal Division, FDIC
David Wall	Legal Division, FDIC
Marilyn Anderson	Legal Division, FDIC
Michael Phillips	Legal Division, FDIC
Stephen Albrecht	GE Capital
John Bronson	Prudential
Hugh C. Conroy, Jr.	Citi
Margaret M. Grieve	Bank of America
Michael E. Siegel	Royal Bank of Canada
Nina Shenker	JP Morgan
Eric Wise	Royal Bank of Canada
Simon Zornoza	State Street
Paul Lee	Debevoise & Plimpton
Samuel Proctor	Debevoise & Plimpton
Gregory Lyons	Debevoise & Plimpton
David Luigs	Debevoise & Plimpton
Bradley Ipema	Financial Services Roundtable