

April 27, 2011

MEMORANDUM OF MEETING

FROM: Christopher Hencke
Counsel, Legal Division

SUBJECT: Meeting with Scottrade Bank

On April 5, 2011, FDIC staff met with representatives of Scottrade Bank. Through this meeting, Scottrade presented comments on core and brokered deposits in connection with the study mandated by section 1506 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Scottrade operates a “sweep” program, in which clients’ funds are “swept” or transferred from the Scottrade investment company to the affiliated Scottrade Bank. Also, some funds are “swept” into nonaffiliated banks. At the meeting, the attendees discussed the stability of the “swept” deposits and the propriety of the 10% test set forth in FDIC Advisory Opinion No. 05-02 (February 3, 2005). More broadly, they discussed the utility of classifying deposits as either core or brokered (as opposed to classifying deposits as either stable or volatile).

Attendees

<u>Name</u>	<u>Representing</u>
Joseph Pope	Scottrade Bank
Kevin Petrasic	Paul Hastings law firm (representing Scottrade)
Diane Ellis	FDIC
Mindy West	FDIC
Lou Bervid	FDIC
Munsell St. Clair	FDIC
Rebecca Berryman	FDIC
Chris Hencke	FDIC