

MEMORANDUM

TO: Public File – Notice of Proposed Rulemaking:
Prohibitions and Restrictions on Proprietary Trading and
Certain Interests in, and Relationships with, Hedge Funds
and Private Equity Funds (RIN 3064-AD85)

FROM: Michael B. Phillips, Counsel, FDIC Legal Division

DATE: January 30, 2012

SUBJECT: Meeting with

On January 4, 2012, representatives from the FDIC’s Division of Risk Management Supervision/Capital Markets (Karl Reitz, Senior Policy Analyst) and the Legal Division (Michael Krimminger, General Counsel; John Thomas, Deputy General Counsel; and Michael Phillips, Counsel) met with the following representatives from the Securities Industry and Financial Markets Association (SIFMA): Carter K. McDowell, Managing Director and Associate General Counsel; Robert Toomey, Managing Director and Associate General Counsel; and outside counsel Robert L.D. Colby, Davis Polk & Wardwell LLP.

The agenda for the meeting involved certain provisions of the interagency notice of proposed rulemaking (“NPR”) on section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This NPR was published in the *Federal Register* of November 7, 2011 (76 FR 68846). The primary topic for this meeting, as requested by SIFMA were: (1) the criteria for the exemption in the proposed regarding permitted market making activities; and (2) the quantitative metrics provided in Appendix A of the proposed rule, for purposes of compliance with the market-making exemption.