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February 17, 2012

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. R-1432
RIN 7100 AD

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington, DC 20429
RIN 3064-AD85

Office of the Comptroller of the Currency
250 E Street, SW.
Mail Stop 2-3
Washington, DC 20219
Docket ID OCC–2011–14
RIN 1557-AD44

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street NE.
Washington, DC 20549–1090
File Number S7-41-11
RIN 3235-AL07

RE: Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds

Ladies and Gentlemen:

We appreciate the opportunity to comment on this important proposal. I have attached a more detailed letter, but I wanted to emphasize my broader concerns regarding this important regulation.

I am CEO of UBS Americas and CEO of UBS Wealth Management Americas. UBS is one of the largest wealth managers in the world and also a global asset manager and global investment bank.

While UBS and I share the aspirations behind the Volcker Rule to control systemic risks to our financial system, it is important for the Agencies to strike a better balance between prohibiting transactions outlined in the Dodd-Frank Act and allowing the free market to work on behalf of investors. Prohibiting harmful transactions is important, but the Agencies are also charged with drafting regulations that ensure vibrant and liquid markets so that investors continue to have access to a broad range of transactions and products. We believe that while the Agencies are working to protect investors from systemic risk, they also should pay close attention to the consequences for investors and issuers if the regulations cause adverse impacts on well-functioning capital markets.

As currently constructed, the rule could create a number of unintended consequences that hurt investors and companies. Our comments focus on some of the practical problems our bank already sees coming with such a broad-ranging prohibition. Some are impacts on the financial services industry, but in the end the impacts will also be felt by individual investors. In particular, the rule has the potential to make it harder for American businesses and

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municipalities to raise capital and have access to credit. As the U.S. continues its long recovery from the financial crisis, I hope you will keep this in mind.

We expect that there are a number of consequences we cannot currently foresee. The regulatory benefits should not be outweighed by the burden on capital formation and investor choice.

Again, we understand the difficulty of the task at hand for the Agencies and we are committed to engaging as a constructive partner in this important rulemaking process.

Very Truly Yours,

RJ McC

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