



Donald H. Friedman  
President and CEO

M Benefit Solutions®

Securities and Investment Advisory Services offered through  
M Holdings Securities, Inc., a Registered Broker/Dealer and Investment Advisor,  
Member FINRA/SIPC. M Financial Group is the parent company of  
M Benefit Solutions and M Holdings Securities, Inc.

February 10, 2012

The Honorable Ben S. Bernanke  
Chairman  
Board of Governors of the Federal Reserve System  
("Board of Governors")  
20th Street & Constitution Ave., NW  
Washington, DC 20551

The Honorable John G. Walsh  
Acting Comptroller of the Currency ("OCC")  
Department of the Treasury  
250 E St, SW, Mail Stop 2-3  
Washington, DC 20219

The Honorable Martin J. Gruenberg  
Acting Chairman  
Federal Deposit Insurance Corporation ("FDIC")  
550 17th St., NW  
Washington, DC 20429

The Honorable Mary L. Schapiro  
Chairman  
Securities & Exchange Commission ("SEC")  
100 F St., NE  
Washington, DC 20549-1090

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

Dear Sirs and Madam:

M Benefit Solutions – Bank Strategies provides Executive and Director benefits and compensation consulting. We also assist community banks as they invest in bank owned life insurance ("BOLI") as a financing or cost-recovery vehicle for employee benefits. It is our business to help banks effectively recruit, reward, retain, and retire their best and brightest in a fiscally efficient manner.

On behalf of M Benefit Solutions, I respectfully submit the following comments on rules proposed by the OCC, FDIC, Board of Governors, and SEC (referred to hereinafter as "the Agencies") to provide guidance on restrictions and permitted activities applying to provisions of the Dodd-Frank Act of 2010. Our comments pertain specifically to provisions applicable to banking entities that maintain proprietary trading operations and certain interests in, and relationships with, hedge funds and private equity funds.

M Benefit Solutions believes the Agencies have made a persuasive argument for including sensible guidance on BOLI in proposed rules designed to implement restrictions on hedge funds and private equity funds, in accordance with the Dodd Frank Act of 2010..

While Section \_\_.14 of the Agencies' proposed rules ("Covered fund activities and investments determined to be permissible") notes that certain BOLI separate accounts fall within the definition of "hedge fund" or "private equity fund," it makes it very clear that it is permissible for banking entities to acquire or retain an ownership interest in, or sponsor such, BOLI separate accounts by meeting rigorous conditions to ensure that such activity promotes the safety and soundness of the banking entities and



February 10, 2012

Page 2

the financial stability of the United States. These conditions include requirements that the banking entity that purchases the BOLI policy:

- (i) may not control the investment decisions regarding the underlying assets or holdings of the separate account; and
- (ii) must hold its ownership interests in the separate account in compliance with applicable supervisory guidance provided by the appropriate Federal regulatory agency regarding BOLI.

Existing interagency guidance cited in the proposed rule imposes extensive requirements and oversight, including thorough pre-purchase and ongoing analysis and monitoring, taking into account a variety of considerations, risks, and alternatives.

We commend the Agencies for providing clarification with respect to BOLI as stated above, and strongly advocate any final rule that may be adopted affirm this clarification as currently proposed.

Sincerely,

Donald H. Friedman

DHF/sdw