

**Meeting between Federal Reserve Board Staff
and Representatives of Americans for Financial Reform
March 28, 2012**

Participants: Scott Alvarez, Anna Harrington, Jeremy Newell, Christopher Paridon, and Mark Van der Weide (Federal Reserve Board)

Lisa Donner, Bart Naylor, Marcus Stanley, Jennifer Taub, and Wallace Turbeville (Americans for Financial Reform).

Summary: Staff of the Federal Reserve Board met with representatives of Americans for Financial Reform (“AFR”) to discuss the restrictions on proprietary trading and hedge fund and private equity fund activities under section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (also known as the “Volcker Rule”).

Among matters discussed in the meeting were AFR’s views regarding: overall impressions of the interagency proposal to implement the Volcker Rule; the proposal’s implementation of the statutory exemption for market making-related activities particularly for illiquid, customized assets such as bespoke derivative products and the appropriate implementation of a metrics regime; possible regulatory loopholes created by the exceptions for risk-mitigating hedging and underwriting in the proposed rule as well as the treatment of repurchase agreements and certain securities financing transactions; the limitations on permitted activities that would result in a material conflict of interest or exposure to a high-risk asset or trading strategy; the proposed rule’s approach to securitization vehicles; and the general impact of the proposed rule on liquidity.