

**Meeting between Federal Reserve Board Staff and
Representatives of the Managed Funds Association
April 24, 2012**

Participants: Stephen Berger (Citadel); Laura Harper (Managed Funds Association); David Hong (King Street Capital Management); Renata Holt (Paulson & Co.); and Kim Rozman (HBK Investments)

Bobby Bean, Ryan Clougherty, John Feid, and Tom Hearn (FDIC)
Sean Campbell, Anna Harrington, Stephanie Martin, and Christopher Paridon
(Federal Reserve Board)

Summary: Staff of the Federal Reserve Board and FDIC met with representatives of the Managed Funds Association (“MFA”) to discuss issues related to the proposed rule of the Board and other prudential regulators on margin and capital requirements for covered swap entities under Title VII of the Dodd-Frank Act.

The MFA representatives discussed their views on a number of aspects of the proposed rule, including: the need for a requirement that swaps entities not only collect, but also post, variation margin (so-called “bilateral variation margin”); potential ways to improve the grid-based method through enhanced granularity; issues with respect to coordinating the implementation of the proposed rule with clearing requirements; and the benefits of reducing the ten-day liquidation time horizon for initial margin determinations.