

**Meeting Between Staff of the Federal Reserve Board
and Representatives The Clearing House and the Securities Industry and Financial
Markets Association
March 18, 2014**

Representatives: John Court (The Clearing House), Luigi De Ghenghi and Randall Guynn, (Davis, Polk & Wardwell LLP), Carter McDowell (SIFMA), and Michael Wiseman (Sullivan & Cromwell LLP)

Scott G. Alvarez, Laurie Schaffer, Mark Van Der Weide, Michael Waldron, and Will Giles (Federal Reserve Board)

Summary: The representatives from The Clearing House and the Securities Industry and Financial Markets Association (SIFMA) met with Board staff to describe their planned responses to the ANPR.* They indicated that SIFMA and other trade organizations, including the American Bankers Association and the Financial Services Roundtable, intended to submit a joint response to the ANPR and a related legal memorandum. The comment letter would include a discussion of the benefits of Complementary Commodities Activities, the risks of such activities, and the adverse effects of revoking FHCs' authority to engage in such activities. The related legal memorandum would include a discussion of the risks of liability under current environmental law and veil piercing actions and a description and evaluation of current industry safeguards against such potential liability. The representatives also indicated that The Clearing House intended to provide the Board with a separate letter addressing the merchant banking questions raised in the ANPR.

Both letters and the related legal memorandum were submitted to the Board on April 16, 2014. They are available at http://www.federalreserve.gov/apps/foia/ViewComments.aspx?doc_id=R-1479&doc_ver=1.

* Defined terms have the same meaning as they do in the Board's advance notice of proposed rulemaking regarding complementary activities, merchant banking activities, and other activities of financial holding companies related to physical commodities. See 79 Fed. Reg. 3329 (Jan. 21, 2014).