Meeting Between Federal Reserve Board Staff  
and Representatives of the Options Clearing Corporation  
October 27, 2010

Participants: Louise Roseman, Jeff Stehm, Stephanie Martin, Stuart Sperry, Jennifer Lucier  
(Federal Reserve Board)  

Michael Cahill, Bill Navin, Susan Milligan (Options Clearing Corporation)

Summary: At the request of the Options Clearing Corporation (OCC), Board staff met with  
Messrs. Cahill and Navin and Ms. Milligan to hear the OCC’s views on various aspects of the  
Dodd-Frank Act.

The OCC described its governance structure and discussed their concerns with recent CFTC and  
SEC notices of proposed rulemaking regarding governance and conflicts of interest in financial  
market utilities, which it views as overly prescriptive and as having unintended adverse effects  
on its governance structure. The OCC believes the rules should allow for alternative governance  
models that would address the DFA goals regarding conflict of interest, open access, and product  
clearing eligibility. The OCC also expressed concerns that differences between the CFTC and  
SEC rules would create compliance difficulties for the OCC as a dual-registered entity (clearing  
agency with the SEC and derivatives clearing organization with the CFTC).

The OCC representatives also discussed their views on the potential access of designated  
financial market utilities to Federal Reserve accounts, services, and emergency credit under Title  
VIII of the DFA. The OCC representatives described the OCC’s current settlement and liquidity  
arrangements and stated their interest, if designated by Council, in getting access to a Federal  
Reserve account, payment services, and emergency credit.