

**Meeting between Federal Reserve Board Staff  
and Representatives of Bank of America and JP Morgan Chase  
February 6, 2012**

**Participants:** Scott Alvarez, Anna Harrington, Jeremy Newell and Christopher Paridon  
(Federal Reserve Board)

Peggy Grieve and Daniel Nelson (Bank of America); William Braverman and  
Kathryn McCulloch (JP Morgan Chase); Susan Ervin, Randy Guynn and  
Alexander Young-Anglim (David Polk & Wardwell LLP)

**Summary:** Staff of the Federal Reserve Board met with representatives of Bank of America (“BAC”) and JP Morgan Chase (“JPMC”) (collectively, “the Firms”) 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 the Firms’ views regarding the proposed rule’s approach to implementing the risk-mitigating hedging exemption with respect to covered funds. Specifically, the Firms noted that the proposed rule’s more narrow exemption for risk-mitigating hedging using covered fund shares should be broadened to more closely track the general risk-mitigating hedging exemption provided as part of Subpart B of the proposed rule. Additionally, the Firms indicated that the proposal’s designation of commodity pools as being within the definition of covered fund was over-broad and could include an unduly broad range of entities within the definition since a broad array of entities could potentially be deemed a commodity pool under the Commodities Exchange Act. The Firms noted their view that wholly-owned subsidiaries should also be excluded from the definition of covered fund, but it was noted that an analysis of how the term “wholly owned” is interpreted may depend on the amount of debt instruments issued by a subsidiary that are held by third parties.

The Firms also expressed their view that the statute provides authority to view certain transactions as outside the scope of the so-called “Super 23A” provision of the Volcker Rule, including intraday extensions of credit and certain transactions collateralized by U.S. government or agency securities.