

**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.