

**Meeting between Federal Reserve Board Staff  
and Representatives of JPMorgan Chase & Co.  
December 13, 2010**

**Participants:** Scott Alvarez, Jeremy Newell, and Chris Paridon (Federal Reserve Board)

Greg Baer, Neila Radin, Joe Bonocore, Jeremy Barnum, Alexander Hunt, and  
Katherine Childress (JPMorgan Chase & Co.)

**Summary:** Staff of the Federal Reserve Board met with representatives of JPMorgan Chase & Co. (“JPMorgan”) to discuss section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, also known as the “Volcker Rule,” and related matters.

Matters discussed in the meeting included: the application of the Volcker’s Rule hedging exception as it relates to the variety of hedging activities in which banking entities typically engage; the manner in which banking entities measure and determine the accuracy of particular hedging activities; the potential application of the Volcker Rule to cash management and treasury functions of banking entities; JPMorgan’s views as to the distinguishing characteristics of market making activities; JPMorgan’s views as to the potential utility of certain metrics, such as Sharpe ratios and inventory or risk turnover tests, in differentiating market making and proprietary trading; and JPMorgan’s concerns regarding the potential application of the Board’s proposed conformance rule under section 619 to (i) illiquid funds sponsored by banking entities and (ii) illiquid funds in which a banking entity has invested.