

**Meeting Between Federal Reserve Board Staff
and Representatives of Americans for Financial Reform
May 17, 2011**

Participants: Gerald Epstein, Heather McGhee, Bartlett Naylor, Marcus Stanley and Jennifer Tau (Americans for Financial Reform)

Anna Harrington, Jeremy Newell, Christopher Paridon and Patricia Yeh
(Federal Reserve Board)

Summary: Staff of the Federal Reserve Board met telephonically with representatives of Americans for Financial Reform 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 Americans for Financial Reform’s views regarding; implementation of the Volcker Rule’s provisions governing material conflicts of interest and exposure to high-risk assets or high-risk trading strategies; use of metrics and “real time” trade monitoring to differentiate market-making related activities from proprietary trading; identification of transactions “on behalf of customers”; implementation of the statutory rule of construction regarding the sale and securitization of loans; the “customers of such services” requirement related to the statutory exemption for organizing and offering a hedge fund or private equity fund; treatment of carried interest under the Volcker Rule; and treatment of merchant banking or long-term investments under the Volcker Rule.