

**Meeting between Federal Reserve Board Staff
and Representatives of The Clearinghouse
November 23, 2010**

Participants: Brian Knestout, Jeremy Newell, and Christopher Paridon
(Federal Reserve Board)

Representatives of Bank of America, Bank of New York-Mellon, Bankers Bank & Trust Co., Citigroup, JP Morgan Chase, Wells Fargo & Co.; and H. Rodgin Cohen, Virgil Mattingly, and Michael Wiseman (Sullivan & Cromwell)

Summary: Staff of the Federal Reserve Board met with representatives of the Clearinghouse 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 Clearinghouse’s views regarding: the potentially overly-broad scope of the definitions of “banking entity” and “hedge fund” and “private equity fund;” whether carried interest should be considered an “ownership interest” in a hedge fund or private equity fund; the potentially harmful effects of an expansive interpretation of section 619(f)’s so-called “Super 23A” provisions; and the scope of section 619(d)(2)’s prohibitions on material conflicts of interest and high-risk trading strategies or high-risk assets.