

**Meeting Between Federal Reserve Board Staff
and Representatives of The Clearinghouse
June 9, 2011**

Participants: Greg Baer, Jeremy Barnum and Alexander Hunt (JP Morgan Chase); Keith Douglas, Sarah Gray, Brian Lee, Michael Paese, Thomas Riggs, and Elisha Wiesel (Goldman Sachs); James Hill, Candice Koederitz, Soo-mi Lee and John Neary (Morgan Stanley); and H. Rodgin Cohen (Sullivan & Cromwell)

Scott Alvarez, Sean Campbell, Jeremy Newell and Christopher Paridon
(Federal Reserve Board)

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 calculation and use of metrics or similar risk measurements (e.g., risk, revenue-to-risk, inventory, customer, and qualitative metrics) in order to differentiate between prohibited proprietary trading and permitted activities, including eventual use of thresholds; how such metrics might be evaluated on both a firm-specific and broader horizontal basis; and possible implementation, timing, and frequency considerations related to instituting reporting of metrics or other compliance requirements.