

**Meeting between Federal Reserve Board Staff  
and Representatives of Davis Polk & Wardwell LLP  
January 27, 2012**

**Participants:** Scott Alvarez, Sean Campbell, Jeremy Newell, Jim O'Brien, and Christopher Paridon (Federal Reserve Board)

Randall Guynn, Ashley Harris and Margaret Tahyar (Davis Polk & Wardwell LLP)

**Summary:** Staff of the Federal Reserve Board met with representatives of Davis Polk and Wardwell LLP ("Davis Polk") 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"). Davis Polk requested the meeting to present the views of their client, Morgan Stanley.

Among matters discussed in the meeting were Morgan Stanley's views regarding: the proposed rule's approach to distinguishing permitted market making-related activities from prohibited proprietary trading, including potential alternative approaches for distinguishing between these activities; implementation of the statutory exemption for risk-mitigating hedging activities; the scope of applicability of the statutory exemptions for market-making related and underwriting activities; and the proposed rule's definition of "covered fund."