

**Meeting between Federal Reserve Board Staff
and Representatives of JPMorgan Chase, Goldman Sachs, and Morgan Stanley
November 8, 2011**

Participants: Greg Baer, Jeremy Barnum, Katherine Childress, and Alexander Hunt (JP Morgan Chase); Michael Paese, David Rusoff, and Elisha Wiesel (Goldman Sachs); Matthew Berke, James Hill, Nancy King, and Soo-mi Lee (Morgan Stanley); H. Rodgin Cohen and Michael Wiseman (Sullivan & Cromwell)

Scott Alvarez, Sean Campbell, Jeremy Newell, Jim O'Brien, Christopher Paridon, and Mark Van der Weide (Federal Reserve Board)

Summary: Staff of the Federal Reserve Board met with representatives of JPMorgan Chase, Goldman Sachs, and Morgan Stanley 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 institutions' views regarding: the general structure of the interagency proposal to implement section 619; the calculation and use of metrics or similar risk measurements contained in the proposal (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, including the level of granularity at which metrics would be calculated or reported; and possible unintended consequences of the proposal, specifically with respect to interdealer liquidity and hedging strategies.