

**Meeting Between Federal Reserve Board Staff  
and Representatives of Morgan Stanley  
April 5, 2011**

**Participants:** Clement Bernard, Peter Cai, James Hill, Nancy King, Candace Koederitz, Soo-mi Lee and John Neary (Morgan Stanley)

Scott Alvarez, Sean Campbell, David Lynch, Jeremy Newell, Christopher Paridon, and Patricia Yeh (Federal Reserve Board)

**Summary:** Staff of the Federal Reserve Board met telephonically with representatives of 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 Morgan Stanley’s views regarding: the potential impact of the Volcker Rule on Morgan Stanley’s market-making and customer-driven businesses in varying types of asset classes and product types; potential competitive concerns associated with how foreign-based banking entities may be treated under the Volcker Rule; and potential characteristics of market-making related activities, including the use of metrics or similar risk measurements (e.g., risk, revenue-to-risk, inventory, customer, and qualitative metrics) in order to differentiate between market-making related activities and proprietary trading.