

MEMORANDUM

September 14, 2010

TO: File No. 4-606

FROM: Leila Bham
Division of Trading and Markets

RE: Section 913 of the Dodd-Frank Wall Street Reform Act of 2010 (the “Act”)

On September 14, 2010, Jennifer McHugh of the Chairman’s Office; James Brigagliano, Jim Eastman, Lourdes Gonzalez, Dan Fisher, Emily Russell, and Leila Bham of the Division of Trading and Markets; Sara ten Siethoff, Doug Scheidt, David Grim, Sara Crovitz and Holly Hunter-Ceci of the Division of Investment Management; James Reese, Brian Snively, Mavis Kelly, Harvey Persaud, and Sarah Young of the Office of Compliance Inspections and Examinations; Rich Ferlauto of the Office of Investor Education and Advocacy; Jennifer Marietta-Westberg, Jeremy Ko and Kristin Kaepplein of the Division of Risk, Strategy and Financial Innovation; and Sarah Buescher of the Office of the General Counsel, met with Walter Robertson, John Taft, Steven Samuels, Ira Hammerman, Kevin Carroll, and John Maurello of the Securities Industry and Financial Markets Association (“SIFMA”) and Annette Nazareth and Bob Colby of Davis Polk, to discuss the SEC study of the obligations and standards of care of broker-dealers and investment advisers providing personalized investment advice about securities to retail investors required by the Act. At the meeting, the SIFMA representatives discussed the issues listed on the attached agenda that they provided in advance of the meeting.

Proposed Agenda:

1. Overview

a. SIFMA supports a uniform fiduciary standard of conduct for both broker-dealers and investment advisers when providing personalized investment advice about securities to retail customers.

b. Two key principles should guide the standard: (i) investor protection and (ii) investor choice and access.

c. A part of investor protection and putting the interests of retail customers' first is ensuring that retail customers continue to have a choice among relationship models and compensation options with their broker-dealer or investment adviser.

d. Broker-dealers should be able to disclose material conflicts of interest and obtain retail customer consent in a way that would not in practice foreclose retail customer access to certain products or services, such as proprietary products or products sold on a principal basis (including initial public offerings and other underwritten offerings) and personalized investment advice regarding aggressive investment strategies.

2. Investor Protection

a. Define the "best interests" standard

b. Define "when providing personalized investment advice"

c. Integrate the current Advisers Act Section 206 with the new standard

3. Investor Choice and Access

a. Choice of investment model

b. Access to products and services

c. Disclosure and consent

d. Multiple relationships