

MEMORANDUM

TO: File No. 4-627

FROM: Lillian Hagen
Division of Risk, Strategy and Financial Innovation

DATE: December 14, 2011

RE: Meeting with Clearing and Prime Brokers Regarding Dodd-Frank Section 417(a)(2) Short Sale Study

On February 7, 2011, Amy Edwards, Bruce Kraus, Sandra Mortal, Gopa Biswas, Jonathan Greenstein, Chuck Dale, Walter Hamscher, Laura Magyar, Christian Sabella and Katrina Wilson from the SEC met with Andrew Margolin, Doug Preston, Peter Melz, Anthony Cetta, Michele Bianco, Justin Kletter, Matt Lang and Sean Gettens from the Bank of America; Michael Madaio from Pershing/BNY Mellon; Richard O'Brien from National Financial Services/Fidelity; Annette Kelton, William Conley and Eric Colchamiro from Goldman Sachs; Robert O'Connor, Joe Davis and Anthony Schiavo from Morgan Stanley.

The participants discussed the process of clearing trades for clients and their knowledge of real-time information on their clients' positions. The participants also discussed how the availability of real-time public information on short positions would affect the prime brokerage and more general clearing business, including their securities lending business.