

## MEMORANDUM

TO: File No. 4-627

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

DATE: December 14, 2011

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

On January 21, 2011, Amy Edwards, Bruce Kraus, Lillian Hagen, Sandra Mortal, Cecilia Caglio, Gopa Biswas, Jonathan Greenstein, Walter Hamscher, Katrina Wilson and Laura Magyar from the Securities and Exchange Commission met with Andrew Margolin, Oliver Sung, Kevin Tyrell and Toni Cimino from Bank of America; Kenneth Townley from UBS; Marcelo Riffaud and John Juul from Deutsche Bank; Robert Virgilio, George Rosenberger and Joseph Cangemi from Convergex; Tara Tomlin from Morgan Keegan; Patrick Dogan, Ron Trout and Robert Lake from Stern Agee; and Melissa MacGregor, Averell Sutton, Kevin Campion and Ben Friedlander from SIFMA.

The participants discussed the feasibility and costs associated with complying with the pilot transaction marking, particularly the technical changes required of brokers to mark customer orders with the potential new marks “buy-to-cover” and “market maker short.” They also discussed the feasibility of introducing brokers reporting short positions in real time on behalf of their clients.