

MEMORANDUM

To: File Nos. S7-05-14, S7-08-12

From: Richard Gabbert, Counsel to Commissioner Hester M. Peirce

Re: Meeting with Gary Mandelblatt of NextGen Strategic Advisors

On March 12, 2019, Richard Gabbert, legal advisor to Commissioner Peirce, participated in a meeting with Gary Mandelblatt of NextGen Strategic Advisors.

Participants discussed various Title VII requirements applicable to security-based swap dealers, including capital and margin requirements. In particular, participants discussed the role that different types of capital charges (including capital charges imposed on variation margin on swaps and security-based swaps that is uncollected pursuant to exceptions from the requirement to collect variation margin and capital charges imposed on IM segregated with a third-party custodian) may play in affecting decisions regarding how firms likely to register as security-based swap dealers would structure their business.