

MEMORANDUM

TO: File No. S7-12-11

FROM: Raymond Lombardo
Division of Trading & Markets

DATE: October 18, 2011

SUBJECT: Phone conference with KPMG

On October 14, 2011, Ray Lombardo from the Division of Trading & Markets, Jen Porter and Nadya Roytblat from the Division of Investment Management, and Josh Paul from the Office of Chief Accountant held a phone conference with Jeff Jones, Karen Field, Hershell Cavin of KPMG.

The discussion included KPMG's comments on the rules regarding incentive-based compensation that were proposed by the Commission pursuant to Section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.