

MEMORANDUM

TO: File
FROM: Aaron Foxman
RE: First meeting with Morgan Stanley
DATE: September 17, 2010

On September 17, 2010, Kim Allen, Tina Barry, Katelynn Bradley, B. Brennan, Peter Curley, Jeffrey T. Dinwoodie, Leah Drennan, Tom Eady, Susan Ervin, Mike Gaw, Kathleen Gray, John Guidroz, Juanita Hamlett, Joshua Kans, Michael Kress, Ann McKeehan, Jimmy Michaels, Burt Porter, Robert Riepe, Ken Riitho, Nancy Burke-Sanow, Heather Seidel, Paula Sherman, Christine Sibille, Amy Starr, James Thibodeau, Tim Work, Ling Yu and Aaron Foxman of the Securities and Exchange Commission and Mark Fajfar, Tom Leahy, Mauricio Melara, Michael Solinsky and Jeff Steiner of the Commodities Futures Trading Commission met with Anthony Cicia, Scott Greenberg, James Hill, Candice Koederitz, Soo-Mi Lee, Stephen O'Connor, Richard Ostrander, Rose-Anne Richter, Dexter Senft and Alan Thomas of Morgan Stanley and Bob Reeder of Sullivan & Cromwell LLP (collectively "Morgan Stanley").

Morgan Stanley discussed concerns and suggestions regarding clearing and execution suggesting a phasing-in approach to minimize market disruption. Morgan Stanley also raised issues regarding swap clearinghouse governance and the regulatory regime defining swap execution facilities. Additionally, Morgan Stanley made suggestions regarding the definition of mixed swaps and determining regulatory jurisdiction.

Finally, Morgan Stanley discussed solutions for real time data reporting, the regulatory regime regarding transactions between affiliates, and interaction between SEC and CFTC rules.

**AGENDA FOR SEC
MORGAN STANLEY MEETING**

1. Clearing
2. Execution
3. Transactions between affiliates
4. Definition of Major Security-Based Swap Participant and Swap Dealer
5. Real-time trade reporting
6. Interaction with CFTC Rules