

MEMORANDUM

January 5, 2011

To: File No. S7-18-08

From: Keith Carpenter
Office of Disclosure and Insurance Products Regulation
Division of Investment Management

Re: Security Ratings Release No. 33-8940

On December 21, 2010, William Kotapish and Keith Carpenter of the Division of Investment Management had a telephone conference with Mary Thornton Payne and Stephen Roth of Sutherland. On January 3, 2011, William Kotapish and Keith Carpenter had a telephone conference with Mary Thornton Payne. We discussed issues raised by the comment letter from Sutherland dated December 8, 2009, regarding the Commission's proposal to replace Form S-3 and F-3 eligibility requirements that rely on security ratings with alternative requirements.