

MEMORANDUM

TO: File No. S7-27-10
FROM: Sarah Schandler
RE: Meeting with Darrel Duffie regarding Proposed Rules to Mitigate Conflicts of Interest Involving Security-based Swaps
DATE: October 26, 2010

On October 20, 2010, Henry Hu, Bruce Kraus, Amy Edwards, Tim McCormick, Scott Bauguess, Emre Carr, Burt Porter, Sandra Mortal, Adam Yonce, Jordan Bleicher, Heather Seidel, Haimera Workie, Nancy Burke-Sanow, Catherine Moore, Molly Kim and Sarah Schandler met with Professor Darrel Duffie, Dean Witter Distinguished Professor of Finance at the Graduate School of Business, Stanford University, via teleconference.

The participants at the meeting discussed the Commission's proposal to adopt rules to mitigate conflicts of interest at clearing agencies that clear security-based swaps, security-based swap execution facilities, and national securities exchanges that post or make available for trading security-based swaps. SEC staff invited Professor Duffie to submit a formal comment letter in response to the proposed rulemaking.