

MEMORANDUM

TO: File No. S7-39-10
FROM: Jeffrey Dinwoodie
RE: Conference Call with Representatives of the Managed Funds Association
DATE: February 14, 2011

On February 14, 2011, representatives of the Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”) participated in a conference call with representatives of the Managed Funds Association (“MFA”). The SEC representatives were Joshua Kans, Peter Curley, Richard Grant, and Jeffrey Dinwoodie. The CFTC representatives were Mark Fajfar, Dave Aron, Terry Arbit, Julian Hammar, Greg Kuserk, Lee Ann Duffy, Steve Kane, Alicia Lewis, and Rose Troia. The MFA representatives were James Antoszewski (S.A.C. Capital Advisors, L.P.), Darcy Bradbury (D.E. Shaw), Whitney Chatterjee (Sullivan & Cromwell LLP), Randall Costa (Citadel LLC), Rupert Cox (Brevan Howard), Paul Friedman (BlueMountain Capital Management), Lee Grinberg (Elliott Management Corporation), Eric Jacobs (King Street Capital Management, L.P.), Rich Marano (King Street Capital Management, L.P.), Steve Schraibman (S.A.C. Capital Advisors, L.P.), and Carlotta King (MFA). During the conference call, the MFA representatives provided their views and observations on the following matters relating to File No. S7-39-10: the proposed definitions of “substantial position”; the proposed definitions of “substantial counterparty exposure”; the proposed definitions of “highly leveraged”; the proposed definitions of “swap dealer” and “security-based swap dealer”; the proposed *de minimis* exceptions; the proposed definitions of “hedging or mitigating commercial risk”; the proposed categories of swaps and security-based swaps; the aspects of the proposal relating to timing requirements, reevaluation period, and termination of status; the extraterritorial application of the proposed rulemaking; and related issues.