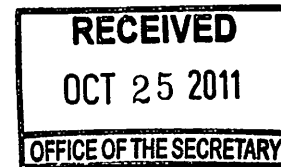


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October 19, 2011

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 "F" Street, N.E.
Washington, DC 20549-1090

Re: Restrictions on Proprietary Trading and
Certain Interest in, and relationships with
Hedge Funds and Private Equity Funds

Dear Ms. Murphy:

I am submitting these comments on the above proposal known as the Volcker Rule in an effort to assist the Agencies in formulating a final rule proposal.

The proposal demonstrates that the individuals responsible for preparing the draft have gained an unusual understanding of how the trading markets work and they provide an unusual resource for the Agencies. The drafters admit at the very beginning of the proposal under Section 13 of the BHC Act that delineating what constitutes a "permitted and prohibited activity often involves subtle distinctions that are difficult both to describe comprehensively within regulation and to evaluate in practice". The introduction also goes on to say that these trading activities are vital to the markets and the final proposal must not unduly constrain banking entities to safely provide these services. What is most encouraging about the proposal is that it requires for its enforcement "enhanced compliance programs" and specifically delineates the framework for setting up those programs.

2.

It seems to me that the proposal to establish compliance programs should be at the heart of how the Agencies intend to enforce compliance with Section 13 of the BHC Act. In view of the complexity of defining prohibited proprietary trading and the differing regulatory policies of each of the Agencies, it makes sense to start from the premise that Sec. 13 can only be enforced initially through self-regulation, as much as of the Agencies may abhor that term.

By setting up a compliance program as delineated in the proposal, banking entities should be in a position to monitor and supervise their trading activities to insure that the prohibition against proprietary trading is enforced. Moreover, if the compliance program is backed up by the quantitative measurements as detailed in the proposal this could go a long way towards insuring the effectiveness of the compliance program. These quantitative measurements would be reported not only to the banking entities supervisors, but, if necessary, also to the Agencies for review. However, I would not require that these measurements be reported to the Agencies.

I believe that it would be a mistake to issue the proposal in its current form despite its comprehensive understanding of trading activities. To issue the proposal as currently drafted would entail numerous problems. It exposes banking entities to Agencies each with a different approach to regulatory policies which cannot help but create confusion. It leaves banking entities in the difficult position of not knowing how different interpretations of the final rule will impact what they are doing. The absence of a single regulator creates enormous problems for the industry and these problems will multiply as time goes by. The passage of time, for example, will result in changing personnel and changing views of what constitutes permitted and prohibited trading activity.

In conclusion, I would urge the Agencies to reformulate this proposal on *proprietary trading* and start from the premise that the banking entity must have a compliance program to monitor and supervise trading that does not result in trading which conflicts with the interests of clients and customers. Moreover, compliance programs should be certified by the CEO of the banking entity and that certification should state that the CEO has established a compliance program designed to detect prohibited proprietary trading and that the program follows the design laid out in sub part D of the proposed rule.

3.

I may have other comments to make about the proposed rule over the next several months.

Yours truly,

A handwritten signature in black ink, appearing to read 'R. Feldman', with a long horizontal flourish extending to the right.

cc: Office of the Comptroller
of the Currency
280 E Street, S.W., Mail Stop 2-3
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Jennifer Johnson, Secretary
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Robert E. Feldman, Secretary
Attn: Comments
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