Meeting between Federal Reserve Board Staff and Representatives of Goldman Sachs & Co. February 2, 2011

Participants: Scott Alvarez, Brian Knestout, Jeremy Newell, and Christopher Paridon (Federal Reserve Board)

Michael Paese, David Rusoff, Harvey Schwartz, Esta Stecher, Steve Strongin, and Elisha Wiesel (Goldman Sachs & Co.); Rodgin Cohen and Michael Wiseman (Sullivan & Cromwell LLP, counsel for Goldman Sachs & Co.)

Summary: Staff of the Federal Reserve Board met with representatives of Goldman Sachs & Co. ("Goldman Sachs") to discuss the restrictions on proprietary trading and hedge fund and private equity fund activities under section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (also known as the "Volcker Rule").

Among matters discussed in the meeting were Goldman Sachs' views regarding: the use of potential quantitative metrics to evaluate compliance with the Volcker Rule, such as activity-to-inventory ratio, pay-to-receive ratio, new business-related ratio, and the Sharpe ratio; the organization of trading operations and potential levels of organization at which quantitative metrics might be applied; potential methods for the calculation of metrics, including how the same metrics may appear different during different market conditions; potential identification of client-initiated or client-facing trading activity; and the recommendations regarding market making-related activities contained in the January 18, 2011 Financial Stability Oversight Counsel report regarding implementation of the Volcker Rule.