

MEMORANDUM

TO: File No. 4-627

FROM: Lillian Hagen
Division of Risk, Strategy and Financial Innovation

DATE: October 19, 2011

RE: Meeting with short sellers (speculators, hedgers, high-frequency traders) regarding Dodd-Frank Section 417(a)(2) short sale study

On January 5, 2011, Amy Edwards, Lillian Hagen, Sandra Mortal, Gopa Biswas, Jonathan Greenstein, Eric Peterson, Laura Magyar, Liz Sandoe, Andrea Orr and Katrina Wilson from the Securities and Exchange Commission met with Stuart Kaswell, Jennifer Han and Benjamin Allensworth from the Managed Funds Association, William Goodell from Maverick Capital; and Jeffery Wechselblatt from Lone Pine Capital.

The participants discussed how a real time short position disclosure regime and transaction marking pilot might affect short sellers' behavior, trading strategies and returns. The participants also discussed the feasibility and changes necessary for short sellers to report their positions in real time.