

MEMORANDUM

TO: File
FROM: Aaron Foxman
RE: Second meeting with Morgan Stanley
DATE: September 17, 2010

On September 17, 2010, Peter Curley, Jeffrey T. Dinwoodie, Leah Drennan, Andrew Glickman, Rebecca Goshorn, Juanita Hamlett, Michael Kress, Tom McGowan, Ann McKeehan, Mike Macchiaroli, Sandra Mortal, John Polise, Tiago Requeijo, Robert Riepe, Ken Riitho, James Thibodeau, Jennifer Marietta-Westberg, Ling Yu and Aaron Foxman of the Securities and Exchange Commission and Michael Solinsky of the Commodities Futures Trading Commission met with Anthony Cicia, Scott Greenberg, James Hill, Candice Koederitz, Soo-Mi Lee, Stephen O'Connor, Richard Ostrander, Rose-Anne Richter and Alan Thomas of Morgan Stanley and Bob Reeder of Sullivan & Cromwell LLP (collectively "Morgan Stanley").

Morgan Stanley discussed issues relating to margin including retroactivity, uncleared trades, and transactions between swap dealers. Morgan Stanley discussed capital requirement regimes and portfolio margining. Additionally, Morgan Stanley discussed the interaction of SEC and CFTC rules.

**AGENDA FOR SEC
MORGAN STANLEY MEETING 2**

1. Margin requirements
2. Capital
3. Implications of Security-Based Swaps as Securities
4. Portfolio Margining
5. Interaction with CFTC Rules