

TO: The Comment File
FROM: Nancy Schnabel
RE: Comment on Proposed Conflicts of Interest Rule
DATE: February 23, 2011

On Wednesday, February 23, 2011, John McCarthy and Elizabeth King of Getco LLC (“Getco”) met with Chairman Gary Gensler, Megan Sperling, Timothy Karpoff, David Van Wagner, Riva Adriance, Sarah Josephson, and Nancy Schnabel, all of the Commodity Futures Trading Commission (“CFTC”). Getco discussed, among other things, its views on the proposed regulations to mitigate potential conflicts of interest for swap execution facilities (“SEFs”). First, Getco expressed its support for the SEF regulations as the Commission proposed on October 1, 2010 and as the *Federal Register* memorialized at 75 FR 63732 (Oct. 18, 2010). Second, Getco expressed its opposition to an aggregate limitation on the percentage of SEF voting equity (or voting rights) that the enumerated entities may own (or exercise). Getco stated that such a limitation would decrease available sources of SEF capital to the point of deterring SEF formation. Getco referenced its own investment in Eris Exchange as an example. Finally, Getco echoed the comment from Eris Exchange – namely, if the Commission is considering an aggregate limitation on SEF voting equity (or voting rights), then the Commission should consider a more nuanced definition of “enumerated entities,” especially with respect to “swap dealers.”