

Minutes of the regular meeting of the Buyside General Counsel Committee

12:00 p.m. – 2:00 p.m., Tuesday, June 7, 2016
Federal Reserve Bank of New York
33 Liberty St., New York, NY

Present:

Thomas C. Baxter, Jr., FRBNY (Chair)
Scott B. Bernstein, Caxton Associates LP
David Brooks, Fortress Investment Group LLC
Adam C. Cooper, Citadel LLC
Marcy Engel, Eton Park Capital Management
Elizabeth Keeley, Taconic Capital Advisors LP
John Liftin, D. E. Shaw & Co., L.P.
Owen S. Littman, Cowen Group, Inc.
Simon Lorne, Millennium Management, LLC
Michael Nelson, FRBNY
Andrew Paul, Tudor Investment Corporation
Angela Sun, FRBNY

Mr. Baxter called the meeting to order at approximately 12:00 p.m.

1. Early Termination Rights for QFCs

The group discussed the market and legal implications of the Federal Reserve's proposed rule on restrictions on non-cleared qualified financial contracts of systemically important banks.

2. Incentive Compensation Proposals

The group discussed the re-proposed joint compensation rule under Dodd-Frank, including their concerns surrounding the expanded definition of "senior executive officer" under the proposed rule, which now includes chief legal officers and chief compliance officers.

3. FSOC Leverage Metrics

The group discussed an update statement released by the Financial Stability Oversight Council (FSOC) on its review of asset management products and activities. In particular, the group assessed the FSOC's statement in that update that leverage metrics do not provide sufficient insight into relevant risks. Members discussed other potential means of assessing risk.

4. New HSR Filing Interpretation

The group discussed a suit by the Justice Department ("DOJ") against ValueAct Capital for violating the Hart-Scott Rodino Antitrust Improvements Act of 1976, specifically by improperly relying on the "passive investment exemption" with respect to the acquisition of shares in Baker Hughes Incorporated and Halliburton Company. Members noted the DOJ and the Federal Trade Commission's historically strict interpretation of the exemption.

5. Tour de Table

The group briefly noted current issues, such as Brexit and the Department of Labor's fiduciary rule, but did not discuss any of these in detail.

The meeting adjourned at approximately 2:00 p.m.