

TO: The Comment File  
FROM: Nancy Schnabel  
RE: Comment on Proposed Governance Rule  
DATE: October 13, 2010

On Wednesday, October 13, 2010, Darrell Duffie, Dean Witter Distinguished Professor of Finance at the Graduate School of Business, Stanford University, and Nancy Schnabel, CFTC staff member, had a telephone conversation in which Mr. Duffie posed the following questions:

- What was the rationale behind the proposed 20 percent limit on (i) the ownership of SEF voting equity or (ii) the exercise of SEF voting rights, in each case, by SEF members?
- What was the rationale for (i) imposing specific composition requirements on the DCO Risk Management Committee, (ii) permitting the DCO Risk Management Committee to delegate certain decisions to a subcommittee, (iii) freeing the DCO Risk Management Committee from composition requirements after such delegation, and (iv) permitting the DCO Risk Management Committee to overrule the decisions of the subcommittee?

Other than Mr. Duffie and Ms. Schnabel, no other person was involved in the telephone conversation.