
From: Leichter, Franz
Sent: Wednesday, June 28, 2006 4:19 PM
To: Kennedy, John P.
Subject: proposed capital reg

Later, today, I had lunch with Larry Parks who works for the San Francisco Bank. Larry said that the proposed regulation had raised a lot of opposition and that he was concerned about the rhetoric. He maintained that the dividend limitation could drive out the big members and asked if that was one of the intents of the regulation. He also said it would be helpful if the Chairman gave some indication that the Board was willing to compromise. I said that the Board would- and its members had stated- that we were seriously looking at all comments and that nothing was written in stone. I also pointed out that since we were in the regulatory process the Chairman or any Board member could not be more specific and that in any event no decisions had been made.