

> --- Originally sent by [REDACTED] on Apr 21, 2017 8:21 AM ---

> Greetings Mr. Hinman! I am Shira Pavis Minton, the Designated Agency Ethics Official at the United States Securities and Exchange Commission. Copied here is my Deputy, Danae Serrano. I note we need a signed version of the form 682 you submitted. I believe Kristin from OHR is also going to reach out you about that. You can send to me or her, thanks.

>

> In reviewing the 682 we have the following preliminary comments and questions:

>

>

>

> 1) Can you tell me where or whether you are currently employed?

I am currently a contract partner at Simpson Thacher & Bartlett LLP. I will terminate that arrangement immediately before I start at the SEC. CAN YOU CONFIRM YOU WILL HAVE NO ONGOING RELATIONSHIP WITH SIMPSON? WILL THERE BE ANY REMAINING EQUITY INTEREST IN THE FIRM? ANY CONTINUING RETIREMENT BENEFITS?

>

> 2) Is your spouse, if applicable, employed?

No spouse. (b) (6)

>

> 3) Prohibited Holdings. You currently own the following assets that are prohibited holdings for SEC employees:

>

- > * Goldman Sachs Group
- > * Blackstone Group, LP
- > * PJT Partners, Inc

Will divest once I begin in order to qualify for cap gains deferral OK THANKS - DANAЕ WILL SEND YOU THE CD PAPER WORK TO BEGIN SO THAT WE CAN FILE IT WITH OGE IMMEDIATELY UPON YOUR ONBOARDING

>

> SEC employees are not permitted to invest in entities directly regulated by the SEC, including registered investment advisors and registered broker-dealers. This also includes entities such as banks and insurance companies, which have subsidiaries that are registered investment advisors and registered broker-dealers. As an SEC employee you would be required to divest of these prohibited holdings, unless an exception to the SEC's supplemental ethics rule applies.

>

> Exceptions include instances in which the security is held in certain trusts or securities earned as compensation from a former employer. Examples of acceptable trusts are: (1) a trust in which the employee is solely a vested beneficiary of an irrevocable trust or (2) the employee is solely a vested beneficiary of a revocable trust where the trust instrument expressly directs the trustee to make present, mandatory distributions of trust income or principal, provided, the employee did not create the trust, has no power to control, and does not, in fact, control or advise with respect to the holdings and transactions of the trust.

>

> Please let me know if any of these exceptions apply to your holdings. If no exception applies, you must divest of the prohibited holdings. If divestiture is required, you will need to send me confirmation of divestiture. Confirmation can be in the form of a brokerage statement or trade confirmation showing the securities have been divested.

>

> 4) Can you please confirm the tickers for the following funds? We cannot identify the tickers listed on your form, and it may be due to typos.

>

> On Apr 21, 2017, at 4:36 PM, "[REDACTED]"

>

> Dear Shira,

> Thanks for your note. I have attached the signature page for the form 682 sent the other day. I will check on the various tickers you noted. Also I intend to divest of the individual equities you mentioned. I understand that I may be entitled to a deferral of capital gains taxes on those sales. Is there anything I need to do to qualify for that deferral? Does it matter when the sale is made. Also I am checking with the Northwest mutual folks to remove their trading discretion.

> thanks

> Bill

Originally sent [REDACTED] on Apr 21, 2017 5:35 PM ---

Hi Bill - yes to be able to qualify for a certificate of divestiture to defer capital gains taxes, you need to hold onto the stocks until you are a federal employee. Then we file a request for the CD with the United States office of government ethics. After they grant the CD (never a guarantee but no reason they wouldn't here) then you can sell. Once you are a federal employee however, you will be subject to the preclearance and other requirements of the SEC's supplemental regs. So selling is bit more onerous but doable.

Confirming - you hold these out right correct? Correct

I.e. not in a trust or something? Correct

Also let me know the answers to the first two of my questions below when you get a chance - thanks!- s

Sent from my iPhone

-----Original Message-----

From: [mailto:[REDACTED]]

Sent: Monday, April 24, 2017 12:39 PM

To: Minton, Shira

Cc: Serrano, Danae

Subject: RE: Re: 682 SMAIL

Shira,

Thanks for your email. I have interlineated answers in the emails below. Please let me know if you have questions.

Thanks very much

Bill

To: [REDACTED]
Cc: Serrano, Danae [REDACTED]
From: Minton, Shira
Sent: 2017-04-24T13:51:55-04:00
Importance: High
Subject: 682 SMAIL
Received: 2017-04-24T13:51:56-04:00

Bill thanks - please see some additional questions in CAPS below

- > * Euro pacific Growth F-2. AEPFX
- > * Teton Westwood Equity Fund. WESWX
- > * New Perspective Fund Class f-2. ANWFX
- > * Vanguard Specialized Portfolio. VIG --this is the Vanguard Dividend Appreciation Index ETF
- >
- > 5) Can you provide a ticker for the following funds, or a prospectus? If these are registered investment companies under the 1940 Act, there would be no issue holding them. If they are not, we will need to know if they are held in a retirement plan and may need some additional info about the plan(s).
- > a. LZD CAP ALL GLB BAL. LCAOX
- > b. JPMCB SR 2020 C. JTTIX
- > c. MIP II CI 2. This is a Fidelity managed income portfolio. Does not seem to have a ticker-- it is described as a stable income fund. Appears to be a money market fund managed to maintain a \$1 share value. Here is a link to more info:

<https://nb.fidelity.com/public/workplacefunds/view-all/3704> IS THIS HELD IN A 401K OR OTHER RETIREMENT PLAN?

- > 6) The following fund is considered a "sector fund" for federal ethics purposes. Thus, the holdings of this fund can trigger conflicts of interest, because the aggregate value exceeds \$50,000. We generally advise SEC employees to ensure the aggregate value of their sector funds in any particular sector does not exceed this \$50,000 de minimis limit. In general, you do not have to worry about the holdings of diversified mutual funds.
- > a. (b) (6)

Will divest

- > 7) You report having stock valued at more than \$15,000 in the following issuers. To the extent the value remains above \$15,000, under the federal conflicts of interest statute (18 USC 208), you will need to recuse from any SEC particular matters involving parties that will affect these companies.
- > a. IBM
- > b. (b) (6)
- > c.

Will divest- is it possible to get a cap gain deferral on these as well? WE CAN ADVISE OGE THAT WE'D LIKE A CD FOR THESE BECAUSE AS CF DIRECTOR, IT'S BEST FOR YOU NOT TO HOLD ANY PUBLIC STOCK. I THINK THEY WILL GRANT A CD FOR THESE AS WELL ON THAT BASIS

- > 8) You report having a managed account. Managed accounts are problematic for SEC employees because of the requirement to preclear all securities transactions through our internal trading system. Thus, you would need to "turn off" the managed feature of any such accounts to ensure that you are able to comply with preclearance requirements. You would also need to provide proof that you no longer have any managed accounts. You can email that to me as well.

Will revoke any discretion on the managed account. HAS THE ACCOUNT MANAGER CONFIRMED THEY CAN DO THIS?

- >
- > Please let me know if you have any questions. Thank you. - Shira
- >
- > Shira Pavis Minton
- > Ethics Counsel
- > Office of the Ethics Counsel
- > Securities and Exchange Commission
- > (b) (6)
- >

-----Original Message-----

From: (b) (6) [mailto:(b) (6)]
Sent: Monday, April 24, 2017 1:59 PM
To: Minton, Shira
Cc: Serrano, Danae
Subject: RE: 682 SMAIL

Thanks Shira. Answers below.
Bill

To: (b) (6) []
Cc: Serrano, Danae]
From: Minton, Shira
Sent: 2017-04-24T14:07:08-04:00
Importance: Normal
Subject: RE: 682 SMAIL
Received: 2017-04-24T14:07:09-04:00

Ok some follow up:

- 1) can you tell me about the retirement benefits you anticipate with Simpson? Is it a defined benefit pension? or a defined contribution plan?
- 2) does the 401k plan that holds the MIP II CI 2 meet this test?
 - A. The investments of the plan are administered by an independent trustee
 - B. You do not participate in the selection of the plan's investments or designate specific plan investments (except for directing that contributions be divided among several different categories of investments, such as stocks, bonds or mutual funds, which are available to plan participants); and
 - C. The plan is not a profit-sharing or stock bonus plan.
- 3) on the managed account - please confirm for me once you've spoken to them, thanks

To: Minton, Shira (b) (6) []
From: (b) (6) []
Sent: 2017-04-24T14:53:44-04:00
Importance: Normal
Subject: RE: 682 SMAIL
Received: 2017-04-24T14:55:05-04:00

Dear Shira
Here are some more replies. Let me know if you would like to discuss the pension piece further. Might make sense to have a phone call on it.
Thanks
Bill

1) can you tell me about the retirement benefits you anticipate with Simpson? Is it a defined benefit pension? or a defined contribution plan

It is a right to payments under our partnership agreement and not a defined plan. Because the amounts would vary depending on firm results, I have negotiated with the firm to instead receive fixed pension amounts through the end of 2020. These amounts would approximate what I would receive under the pension based on assumptions regarding firm income over that period. My amount will be approximately \$1.59 mm per year, which is what the firm's projections indicate I was likely to receive under the plan. Of course if the firm performs better than projected during the fixed period, I will not receive any benefits. Similarly I would not have a decrease in my payments if the firm underperforms.

2) does the 401k plan that holds the MIP II CI 2 meet this test? Yes

A. The investments of the plan are administered by an independent trustee

B. You do not participate in the selection of the plan's investments or designate specific plan investments (except for directing that contributions be divided among several different categories of investments, such as stocks, bonds or mutual funds, which are available to plan participants); and

C. The plan is not a profit-sharing or stock bonus plan.

3) on the managed account - please confirm for me once you've spoken to them, Will do

thanks

To: (b) (6) []
Cc: Serrano, Danae]
From: Minton, Shira
Sent: 2017-04-24T15:02:02-04:00
Importance: Normal
Subject: RE: 682 SMAIL
Received: 2017-04-24T15:02:03-04:00

Yes Bill let's have a call to discuss. There are a number of criminal laws that impact what you can receive from the firm when you're onboard. Could you do a call this afternoon?

[REDACTED] [REDACTED]

> Sent: Monday, April 24, 2017 3:16 PM

> To: Minton, Shira

> Subject: RE: 682 SMAIL

>

> Sure. Just name a time that works for you thanks

> --- Originally sent by [REDACTED] on Apr 24, 2017 3:27 PM ---

> Could you do a 4:15?

>

> On Apr 24, 2017, at 3:31 PM, "[REDACTED]" <[REDACTED]> wrote:

>

> Yes. Is there a number I can reach you at then?

To: (b) (6) (b) (6)
Cc: Serrano, Danae (b) (6)
From: Minton, Shira
Sent: 2017-04-24T15:31:54-04:00
Importance: Normal
Subject: Re: 682 SMAIL
Received: 2017-04-24T15:31:55-04:00

Yes please call (b) (6), talk to you then

To: (b) (6) (b) (6)
Cc: Serrano, Danae (b) (6)
From: Minton, Shira
Sent: 2017-04-24T17:32:02-04:00
Importance: Normal
Subject: your VM
Received: 2017-04-24T17:32:03-04:00

Hi Bill let's do a call tomorrow. I am tied up all morning but available in the afternoon. If you'd rather do morning, you and Danae could talk and she can fill me in and then we can talk again the afternoon if necessary. Sound ok?

Shira Pavis Minton
Ethics Counsel
Office of the Ethics Counsel
Securities and Exchange Commission
(b) (6)

To Minton, Shi (b) (6)
Fro Bill Hinman
Sen Mon 4/24/2017 5:40:25
Subje RM your
Receive VM Mon 4/24/2017 5:40:28
d: PM

Sure. I think it may be helpful to start with Danae in the am. Maybe we can make some progress and then talk with you in the afternoon if that is helpful.

Thanks
Bill

Sent from my iPhone

On Apr 24, 2017, at 5:46 PM, Minton, Shira <

> wrote:

That is fine yes. You two can coordinate for the AM and then we can talk in the PM. Thanks - S

On Apr 24, 2017, at 5:50 PM, Serrano, Danae [REDACTED] wrote:

Bill - does 930 am work for you? If not, please feel free to propose something else. My schedule is open in the morning tomorrow. Thank you.

Danae

Cc: Minton, Shira [REDACTED]
To: Serrano, Danae [REDACTED]
From: Bill Hinman
Sent: 2017-04-24T17:55:02-04:00
Importance: Normal
Subject: Re: your VM
Received: 2017-04-24T17:55:04-04:00

Sure I will call you then.

To: Bill Hinman [REDACTED]
Cc: Minton, Shira [REDACTED]
From: Serrano, Danae
Sent: 2017-04-25T13:53:37-04:00
Importance: Normal
Subject: RE: your VM
Received: 2017-04-25T13:53:38-04:00

Bill,

Shira and I are discussing and researching the issues we discussed this morning. We will get back to you as soon as possible. Thanks.

Danae

To: Serrano, Danae [REDACTED]; Minton, Shira [REDACTED]
From: Bill Hinman
Sent: 2017-04-25T15:05:03-04:00
Importance: Normal
Subject: Re: your VM
Received: 2017-04-25T15:05:14-04:00

[Hinman OGE outline.docx](#)

Thanks Danae. In the meantime I have spoken with STB and can fill you in on that when we speak next. I also took my hand at drafting a brief explanation that could be used to test the waters with the OGE. I am sure you will have some good suggestions on whether this is in the ballpark for something we could propose. The basic idea is to frame this as fixing the expected benefits in order to avoid a variable interest in STB's results.

Based on my conversations with the firm I do not believe they will be able to provide a front end payment or otherwise amend the partnership agreement. Both of those approaches would require the consent of **all** retired partners as well as 75% of the current partners.

I spoke briefly to Jay about this. He is on board with the approach I describe in the attachment, but of course it has to be something that you and Shira believe works.

Looking forward to your and Shira's thoughts.

Thanks

Bill

To: 'Bill Hinman'[(b) (6)]; Serrano, Danae[(b) (6)]
From: Minton, Shira
Sent: 2017-04-26T07:18:15-04:00
Importance: Normal
Subject: RE: your VM
Received: 2017-04-26T07:18:16-04:00

Bill hi just to clarify OGE is not involved in your onboarding that is only required for presidential appointees. Once we are satisfied that the arrangement with your firm is legal for you and compliant with the ethics regs, I will clear you for onboarding. We will only reach out to OGE for assistance, if needed, with any legal questions that are unique and of first impression. An example of that in this instance is the issue as to whether your idea of fixing the payments will run afoul of 18 USC 209 and whether the future interest in the profits of the firm (post SEC employment) will be a present 208 for you. Both of those are indeed unique questions and we have reached out to OGE for their thoughts on those. We will keep you posted on both issues. In the meantime, on your holdings since you have agreed to divest everything that is problematic and you're turning off the managed account you should be ok on that aspect.

To: [(b) (6)] [(b) (6)]
Cc: Serrano, Danae[(b) (6)]
From: Minton, Shira
Sent: 2017-04-27T14:56:11-04:00
Importance: Normal
Subject: status
Received: 2017-04-27T14:56:12-04:00

Bill I am sorry for the delay - we are calling OGE today to try to push them to respond. They are notoriously slow. But we will stay on top of it.

Shira Pavis Minton
Ethics Counsel
Office of the Ethics Counsel
Securities and Exchange Commission

[(b) (6)]

Cc: Serrano, Danae[(b) (6)]
To: Minton, Shira[(b) (6)]
From: Bill Hinman
Sent: 2017-04-27T16:36:24-04:00
Importance: Normal
Subject: Re: status
Received: 2017-04-27T16:36:27-04:00

Thanks very much Shira. Really appreciate your efforts.
Best,
Bill

[(b) (6)]

To: Minton, Shira[]
From: Bill Hinman
Sent: 2017-04-28T17:15:24-04:00
Importance: Normal
Subject: Letter from Northwestern Mutual re Hinman Accounts
Received: 2017-04-28T17:15:28-04:00
W. Hinman SEC Ltr 04(b) (6)

Shira,

Here is the NWM letter. In talking to the firm I discovered that a retirement plan that we have and that I expected to roll into my 401 K prior to joining the staff, actually does not pay for any 2017 appreciation if I move it mid-year. Ideally, I could just keep it in place to the end of this year and then roll it into my NWM 401 K account. It's a defined benefit plan and I will get a plan description for you. My interest in the account is in a commingled pool of assets over which I have no investment control. That would remain the case until a rollover.

Maybe we can touch base Monday?

Thanks and have a great weekend.

William M Richardson III

CLU®, CFP®

Chief Executive Officer

600 Montgomery St, Ste 1600

San Francisco, CA 94111

415 733 6500 office

415 574 6659 cell

will.m.richardson@nm.com

www.william-richardson.com

April 28, 2017

Securities and Exchange Commission
Ethics Office

To whom it may concern:

This is regarding the investment accounts for Mr. William H. Hinman as follows:

(b) (6)

Please note effective April 30th, 2017, these accounts will no longer be deemed discretionary.

We will not make any purchases, sales or other trades in his accounts without his express consent so that he has an opportunity to pre-clear any such activity under the SEC's compliance policies.

Should you need anything else, please feel free to contact me.

Signed,



William M. Richardson III, CLU CFP

To: 'Bill Hinman'[(b) (6)]
Cc: Serrano, Dana[(b) (6)]
From: Minton, Shira
Sent: 2017-04-28T18:08:38-04:00
Importance: Normal
Subject: RE: Letter from Northwestern Mutual re Hinman Accounts
Received: 2017-04-28T18:08:38-04:00

To be clear this is a different retirement plan then the one we've been discussing right? this is just a defined benefit plan?

To: Minton, Shira[
From: Bill Hinman
Sent: 2017-04-28T20:05:39-04:00
Importance: Normal
Subject: Re: Letter from Northwestern Mutual re Hinman Accounts
Received: 2017-04-28T20:05:41-04:00
(b)

Correct. Thanks

To: Minton, Shira[(b) (6)]
From: Bill Hinman
Sent: 2017-05-03T16:27:01-04:00
Importance: Normal
Subject: Fwd: Letter from Northwestern Mutual re Hinman Accounts
Received: 2017-05-03T16:27:44-04:00
[W. Hinman SEC Ltr 04.28.17.pdf](#)
[ATT00001.htm](#)

Shira

Thanks for your email this afternoon. I will work with STB to document the arrangements fixing my benefits.

Account letter is attached below. Let me know if this addresses the issue.

Understood on the need to dispose the named equities.

Thanks again for all the work on this.

Bill

To: 'Bill Hinman'[(b) (6)]
From: Minton, Shira
Sent: 2017-05-03T16:30:39-04:00
Importance: Normal
Subject: RE: Letter from Northwestern Mutual re Hinman Accounts
Received: 2017-05-03T16:30:40-04:00

Yes this is perfect thanks Bill! I look forward to working with you!

April 28, 2017

Securities and Exchange Commission
Ethics Office

William M Richardson III

CLU®, CFP®

Chief Executive Officer

600 Montgomery St, Ste 1600

San Francisco, CA 94111

415 733 6500 office

415 574 6659 cell

will.m.richardson@nm.com

www.william-richardson.com

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Please note effective April 30th, 2017, these accounts will no longer be deemed discretionary.

We will not make any purchases, sales or other trades in his accounts without his express consent so that he has an opportunity to pre-clear any such activity under the SEC's compliance policies.

Should you need anything else, please feel free to contact me.

Signed,



William M. Richardson III, CLU CFP

To: (b) (6) (b) (6)
Cc: Serrano, Danae (b) (6)
From: Minton, Shira
Sent: 2017-04-28T18:11:43-04:00
Importance: Normal
Subject: retirement benefits
Received: 2017-04-28T18:11:44-04:00

Bill, we have received some initial guidance from OGE and they posed some follow up questions (see below).

Of particular note, OGE advised that if the proposal from the firm would fix the payments only during your term of government service (i.e., if you would return to receiving retirement benefits that are in part calculated based on the profits of the firm at the conclusion of your government service), you would continue to have a financial interest in the firm's profitability while you are in government. This means you could not participate in any SEC particular matters that would directly and predictably affect the firm under 18 USC 208. In other words the future interest is enough to give you a full financial interest in the firm. Is it possible for them to fix it for not just the tenure of your government service but permanently?

For the 203 problem - they indicated that the fixed payment proposal would cure the problem of 18 USC 203 (sharing in profits related to representational activities before the government). However, you and the firm should both be aware that after you leave government service, you will continue to be prohibited from sharing in any profits the firm receives for representing clients before the government during the term of your government service, even if those payments are made once you are no longer a federal employee.

OGE was not conclusive on (b) (5) and asked that we get additional information about the following:

(b) (5)

(b) (5)

We'll get back with OGE as soon as we have this information to try to resolve this.

Shira Pavis Minton
Ethics Counsel
Office of the Ethics Counsel
Securities and Exchange Commission

(b) (6)

Cc: Serrano, Danae (b) (6)
To: Minton, Shira (b) (6)
From: Bill Hinman
Sent: 2017-04-28T20:50:26-04:00
Importance: Normal
Subject: Re: retirement benefits
Received: 2017-04-28T20:50:29-04:00

Shira, I have responded below. Should we try to speak on Monday? Thanks for your help
Bill

(b) (6)

On Apr 28, 2017, at 6:11 PM, Minton, Shira (b) (6) wrote:

Bill, we have received some initial guidance from OGE and they posed some follow up questions (see below).

Of particular note, OGE advised that if the proposal from the firm would fix the payments only during your term of government service (i.e., if you would return to receiving retirement benefits that are in part calculated based on the profits of the firm at the conclusion of your government service), you would continue to have a financial interest in the firm's profitability while you are in government. This means you could not participate in any SEC particular matters that would directly and predictably affect the firm under 18 USC 208. In other words the future interest is enough to give you a full financial interest in the firm. Is it possible for them to fix it for not just the tenure of your government service but permanently?

I assume we are just discussing the equity portion which, by its terms, only last 7 years. I think I can ask for that, but my intent is to serve no more than 4 years. While I could ask for a 7 year fixed payment, it is difficult to project that far in the future. Would it be possible to fix the payments for 5 years? That way I will have a very distant and remote interest in the firm going forward. In addition I think we could point out that the firm's profitability is only marginally affected by matters on which I would have influence. If we fixed the payments for 5 years, the firm's profits in years 6 and 7 would be highly unlikely to have been affected by my SEC acts. My concern is that the firm would need to be very conservative in its projections that far out and I could be significantly disadvantaged.

For the 203 problem - they indicated that the fixed payment proposal would cure the problem of 18 USC 203 (sharing in profits related to representational activities before the government). However, you and the firm should both be aware that after you leave government service, you will continue to be prohibited from sharing in any profits the firm receives for representing clients before the government during the term of your government service, even if those payments are made once you are no longer a federal employee.

The 5 year or 7 year fixed term should address this. The firm operates on a cash basis and nearly all collections occur within one year of the services being provided.

OGE was not conclusive on (b) (5)

and asked that we get additional information about the following:

(b) (5)

(b) (5)

We'll get back with OGE as soon as we have this information to try to resolve this.

Shira Pavis Minton
Ethics Counsel
Office of the Ethics Counsel
Securities and Exchange Commission
(b) (6)

To: Bill Hinman (b) (6)
Cc: Serrano, Danae (b) (6)
From: Minton, Shira
Sent: 2017-04-29T15:15:31-04:00
Importance: Normal
Subject: Re: retirement benefits
Received: 2017-04-29T15:15:33-04:00

Yep we can speak Monday

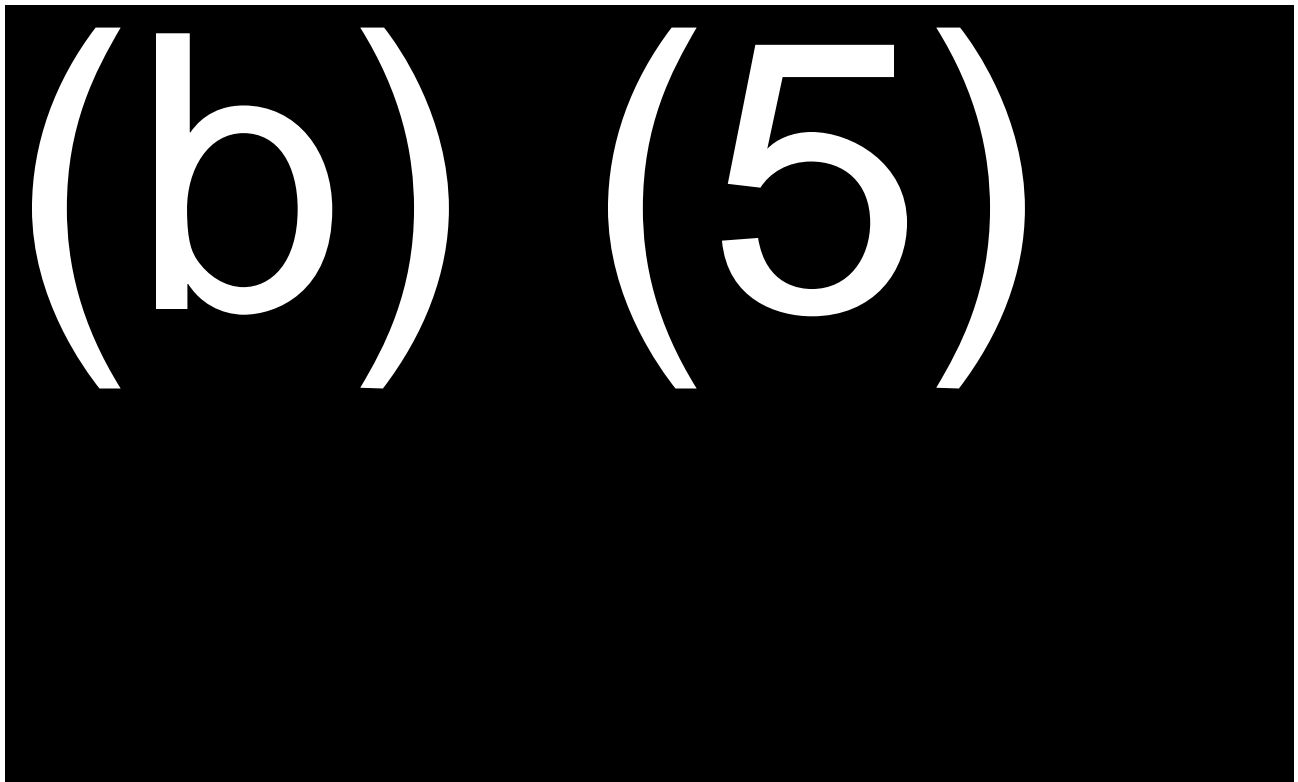
Sent from my iPhone

To: (b) (6)
Cc: Serrano, Danae (b) (6)
From: Minton, Shira
Sent: 2017-05-01T16:18:38-04:00
Importance: High
Subject: Update
Received: 2017-05-01T16:18:38-04:00

Hi Bill thanks for your continued patience during this process!

So here is where we are. We spoke to OGE and are hopeful we'll be able to close the loop with them by Wednesday we've asked them to bump at least one question up their chain of command.

Here are where things stand currently:



Shira Pavis Minton
Ethics Counsel
Office of the Ethics Counsel
Securities and Exchange Commission
(b) (6)

To: Minton, Shira[]
From: Bill Hinman
Sent: 2017-05-03T08:03:38-04:00
Importance: Normal
Subject: Re: Update
Received: 2017-05-03T08:03:44-04:00
(b) (6)

Shira

I can confirm this year budget is not an outlier and was set at that level for all firm purposes, not just for determining my pension. Thanks
Bill

(b) (6)

On May 3, 2017, at 8:05 AM, Minton, Shira < (b) (6) > wrote:

Thanks Bill!

To: Minton, Shira (b) (6)
From: Bill Hinman
Sent: 2017-05-03T10:30:54-04:00
Importance: Normal
Subject: Re: Update
Received: 2017-05-03T10:30:57-04:00

Dear Shira

When you think the analysis has settled, I will let STB know so that they and I can memorialize the approach in a letter agreement.

I am generally around today, if you would like to speak, however I am flying to Boston at 4:30 for (b) (6)

Thanks for all your work in this.
Bill

To: 'Bill Hinman'[(b) (6)]
Cc: Serrano, Danae[(b) (6)]
From: Minton, Shira
Sent: 2017-05-03T15:32:16-04:00
Importance: High
Subject: RE: Update
Received: 2017-05-03T15:32:17-04:00

Bill - Thanks again for your patience. I think we have what we need now to clear you from an ethics standpoint.

Based on the information you provided, we are satisfied (and OGE agrees) that the firm's method of calculating fixed payments for your retirement benefit during the term of your government service would not create a .209 issue. Moreover, fixing the payments will cure the .203 issue.

However, as you stated below, if the payments are fixed through the end of 2020, and then will revert back to the standard terms under the partnership agreement when you leave government service, you will continue to have a full financial interest in the firm for purposes of 18 USC 208, the financial conflict statute. Thus, you may not participate personally and substantially in any particular matter that will directly and predictably affect STB.

As we have mentioned previously, even after you leave government service, 18 USC 203 prohibits you from accepting any compensation for representational services provided before the government during the period of your government service - this would bar you from sharing in the firm's profits from such representational services. It's worth noting that 18 USC 203 also operates to prohibit the firm from giving, promising or offering you any compensation for any such representational services rendered during your government tenure.

As a reminder, you'll need to divest (and provide proof of divestiture) for the following assets:

- Goldman Sachs Group
- Blackstone Group, LP
- PJT Partners, Inc

And we will need documentation (can be an email from your account manager) that you have removed trading discretion on your managed account.

Please let me know if you have any questions about this. Thank you!

Shira Pavis Minton
Ethics Counsel
Office of the Ethics Counsel
Securities and Exchange Commission
[(b) (6)]