

FEDERAL RESERVE BANK OF SAN FRANCISCO
101 MARKET STREET, SAN FRANCISCO, CALIFORNIA 94105

JANET L. YELLEN
PRESIDENT
CHIEF EXECUTIVE OFFICER

April 28, 2010

Ms. Cary K. Williams
Assistant General Counsel
Designated Agency Ethics Official
Board of Governors of the Federal Reserve System
20th and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Ms. Williams:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Governor and Vice Chairman, Board of Governors of the Federal Reserve System.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

After confirmation, but before I assume the duties of the position of Federal Reserve Governor, I will resign from my position as President and Chief Executive Officer of the Federal Reserve Bank of San Francisco. I will continue to participate in this entity's defined benefit pension plan, and I will remain eligible to receive retiree health coverage and reimbursement of premiums. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of this entity to provide these contractual benefits, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

After confirmation, but before I assume the duties of the position of Federal Reserve Governor, I also will resign from my positions with the following entities: National Bureau of Economic Research, Economists for Peace and Security, Bay Area Council, and Children's Hospital of Oakland. For a period of one year after my resignation from these positions, I will

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not participate personally and substantially in any particular matter involving specific parties in which any of these entities is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). After confirmation, but before I assume the duties of the position of Federal Reserve Governor, I will resign from the Group of Thirty.

I currently hold the position of Professor Emeritus at the University of California. I will not provide any services to the University of California in my capacity as Professor Emeritus for the duration of my government service. My spouse is an employee of the University of California. I will not participate personally and substantially in any particular matter involving specific parties in which the University of California is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I will retain my unpaid position as a trustee of the Akerlof and Yellen Family Trust. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the Akerlof and Yellen Family Trust, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

My husband and I receive royalties from Cambridge University Press, Oxford University Press, and Princeton University Press. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of these publishers to honor their contractual obligations regarding these royalties, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Sincerely,

JLY/cmm

