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From: Schumann, Randall [<mailto:Randall.Schumann@dfi.state.wi.us>]  
Sent: Thursday, June 01, 2006 3:29 PM  
To: Colby, Robert LD  
Cc: 'Denise Voigt Crawford'; 'Rex Staples'; 'Solov, Tanya'  
Subject: Follow-Up re NASAA March 29, 2006 Letter

Dear Mr. Colby:

Because we were not able to connect at the Market Regulation meeting during the NASAA/SEC 19(d) Conference, I wanted to send a personal note on behalf of the NASAA Corporation Finance Section regarding the matter which I had an opportunity to make some remarks about toward the end of the Market Regulation 19(d) meeting to those in attendance.

Essentially, this is a follow up to NASAA's March 29, 2006 comment letter to the Commission regarding the NASDAQ Stock Market's Petition to designate securities listed on the NASDAQ Capital Market as federal "covered securities."

As mentioned at the 19(d) meeting, the focus of the NASAA letter was that the NASDAQ Petition identified a number of serious deficiencies in the administration of listing and maintenance standards by certain of the major trading marketplaces, and that such deficiencies prompted NASAA to recommend that the Commission undertake an SRO oversight initiative for the reasons set forth in the March 29 letter.

NASAA recognizes that the Market Regulation Division currently has a number of significant issues it is dealing with, and that an SRO oversight initiative is not a matter to be rushed into quickly. However, because the deficient practices by certain of the major trading marketplaces have been creating inappropriate risks for public investors and continue to do so, NASAA is looking to receive feedback regarding whether an SRO oversight process can be initiated. As stated in the March 29 letter, NASAA would welcome an opportunity to participate in any Commission initiative on the

subject.

I, together with NASAA General Counsel Rex Staples, are the contact persons referenced in the March 29 letter, and we would welcome your call or e-mail regarding this important matter at your earliest convenience.

Sincerely,

Randall Schumann, Legal Counsel  
Wisconsin DFI-Division of Securities  
NASAA Corporation Finance Section Member