

MEMORANDUM

To: File Nos. S7-02-10, S7-27-09, 4-602

From: Dawn Jessen
Counsel to Commissioner Troy A. Paredes

Re: Regulation of Non-Public Trading Interest

Date: August 31, 2010

On August 31, 2010, Commissioner Paredes and Dawn Jessen, Counsel to the Commissioner, met with Seth Merrin, Chief Executive Officer, Liquidnet, Howard Meyerson, General Counsel, Liquidnet, and Vlad Khandros, Market Structure and Public Policy Analyst, Liquidnet. The participants discussed Liquidnet's comment letters dated March 26, 2010 and June 23, 2010 and its proposal to allow the sending of IOIs by an ATS on behalf of a customer under certain circumstances.