

Memorandum

To: File Nos. S7-08-09 and S7-21-09  
From: Haimera Workie  
Counsel to the Chairman  
Office of the Chairman  
Date: December 10, 2009  
Re: Short Sale Price Tests and Flash Orders

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On December 9, 2009, Chairman Mary L. Schapiro, James Brigagliano, Co-Acting Director of Division of Trading and Markets, David Shillman, Associated Director of Division of Trading and Markets, and I met with William O'Brien and Eric W. Hess of Direct Edge. Among the topics discussed were the short sale restrictions outlined in the Commission's April 10, 2009 proposing release titled Amendments to Regulation SHO and flash order prohibition outlined in the Commission's September 18, 2009 proposing release titled Elimination of Flash Order Exception From Rule 602 of Regulation NMS.