

To: File No. S7-20-06

From: Division of Market Regulation

Date: April 10, 2007

Re: Short Selling in Connection with a Public Offering/SIFMA Comment letter dated February 13, 2007

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On April 10, 2007, members of the Divisions of Market Regulation and Corporation Finance met with Kevin Champion and Barbara Endress of Sidley, Austin LLP and certain SIFMA members to discuss the issues raised in the February 13, 2007 comment letter submitted by SIFMA regarding proposed amendments to Rule 105 of Regulation M.