

I would like to share with the Commission the e-mail I wrote the John Shipley of NASDAQ who was at that time our representative when he first notified us of the involuntary bundling of services with our listing fee, and action which we at Suffolk Bancorp STRONGLY oppose, and feel is a misuse of NASDAQ's unique position in providing a market for smaller US issuers.

Our reasoning follows, and I share the original e-mail to illustrate how quickly and firmly we responded.

Douglas Ian Shaw
Senior Vice President and Corporate Secretary Suffolk County National Bank Suffolk Bancorp

-----Original Message-----

From: Shaw, Doug
Sent: Monday, October 30, 2006 11:39 AM
To: 'Shipley, John'
Cc: Huszagh, Gordon
Subject: RE: NASDAQ fees & services

Dear John:

I got your voice-mail earlier today. By now you should be used to the fact that when you raise an issue, I'll give you a straight reply.

What NASDAQ appears to be attempting to create is a vertical monopoly. This follows the unsuccessful attempt to create a horizontal monopoly in the years 1998-2004 where it gained control of the AMEX, prior to their member buyout. NASDAQ is in the unique position of creating an orderly, liquid market for smaller securities, a task poorly served by existence of too many exchanges.

Thus, as always, our position is that we would prefer a lower listing fee, and to find our own ancillary services. We don't do quarterly conference calls (for what we believe are sound reasons, particularly Reg. FD and the silly, obsequious, and congratulatory tone of most calls) and so don't want to pay for them through our listing. We do 8 or more press releases annually, so we would be paying a la carte for half of them. We also do 8 or more 8-Ks, so the same applies. We file our 10-K with the SEC so a "Dynamic Annual Report" adds no value for our shareholders. We would also prefer to shop for our own insurance. I don't mean it disrespectfully, but the new NASDAQ Market Intelligence Desk reporting really amounts to spam in my in-box, given that you provide the NASDAQ Corporate Services Network which any issuer can keep running all day long. As I have commented before, the NASDAQ Corporate Services Network is the one, legitimate service in addition to our listing that provides good value.

When NASDAQ was a true SRO (self-regulatory organization) under the supervision of the NASD, and organized on a not-for-profit basis, it did not have incentives to misuse its position to put other, legitimate businesses at a competitive disadvantage. You have done this by compelling customers (we, the issuers) to buy unrelated services which may or may not meet our needs as well as those provided by other companies, paid for by an involuntary increase in our listing fees. Now that you have shareholders too, the incentives are such that their

interests may come into conflict with our shareholders' interests. While the increase in our fee amounts to only 5/100ths of a cent per share, you have given us no choice. On a net basis, allowing for what we currently spend for services you now include in our fee, our costs go up, and even more because you don't include the volume of services we currently require. We are forced to use your services unless we want to eat completely the cost of the increase.

On behalf of our shareholders, and with sympathy to the newswire and EDGAR filing services you will put out of business, I think I can safely say that we wish that NASDAQ would stick to its core business.

Allowing as I always enjoy our chats, these would still be my views of these increases, and I hope that you will pass them along to the powers-that-be at NASDAQ. I would be delighted to learn that our fee will drop next year in return for our listing and the NASDAQ Corporate Services Network, a la carte.

Sincerely,

Doug Shaw

Douglas Ian Shaw
Senior Vice President and Corporate Secretary Suffolk County National Bank Suffolk Bancorp

Cc: J. Gordon Huszagh, CFO - SUBK

-----Original Message-----

From: Shipley, John [<mailto:John.Shipley@nasdaq.com>]
Sent: Sunday, October 29, 2006 7:58 PM
To: Shaw, Doug
Cc: Huszagh, Gordon
Subject: NASDAQ fees & services

Doug,

I just left you a voice message in the general voice mailbox... beginning in '07, SUBK's annual listing fee is being increased to \$35,000 based on your current TSO. Please note that we understand the challenges of being a public company and as such we continue to be the lowest cost exchange for your listing.

Your current listing fee includes several complimentary services, such as access to NASDAQ-online, access to our Market Intelligence Desk, and a dedicated relationship manager. Since we own a couple of service providers, we will be providing additional complimentary services. NASDAQ is still finalizing the package of services it will provide, however we expect to include some if not all of the following value added services:

Products/Services:

* Four (4) Audio Webcasts per year (1 per quarter)

- * Four (4) Press Releases per year (1 per quarter; up to 500 words each; U.S. CIRCUIT ONLY)
- * Four (4) 8K Edgar Filings per year (1 per quarter)
- * Dynamic Annual Report including proxy material (1 per year)
- * NASDAQ Insurance Agency - Carpenter Moore Peer Benchmarking

Enhancements to current NASDAQ services including:

- * NASDAQ Online enhancements to include investor relationship management tools
- * New NASDAQ Market Intelligence Desk reporting

Since our announcement, I have received a number of questions and would like to make sure all are clear on several points:

* The service package has been developed to differentiate NASDAQ by providing companies with a unique value for their listing. Your listing fee should represent more than just a "membership" fee.

* The bundled services are just the latest addition to a broad package of support services available to you from NASDAQ Corporate Services such as:

- * My services as your NASDAQ Relationship Manager
- * The NASDAQ Market Intelligence Desk
- * NASDAQ Online

* It is completely up to you as to whether to take advantage of these services. Should you choose not to use any of the services that will have no impact on your new fee schedule.

* We intend to continue innovating for the benefit of our listed companies and their investors.

Thanks Doug - I appreciate your continued listing on NASDAQ,

Best Regards,

John Shipley

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