

MEMORANDUM

TO: File S7-09-05

FROM: Marlon Quintanilla Paz
Division of Market Regulation

DATE: January 19, 2006

RE: Client Commission Practices Under Section 28(e); File No. S7-09-05
Meeting with The Bank of New York

On January 6, 2006, members from the Division of Market Regulation met with John Meserve, Marc Frimet, Irene A. Halpin, Steven L. Listor, and Kevin H. Rogers of The Bank of New York to discuss their comments on the proposed Commission guidance regarding client commission practices under Section 28(e) of the Securities Exchange Act of 1934. Topics discussed included: the use of order management systems by portfolio managers and traders.