

MEMORANDUM

TO: File S7-09-05

FROM: Marlon Quintanilla Paz
Division of Market Regulation

DATE: January 31, 2006

RE: Client Commission Practices Under Section 28(e); File No. S7-09-05
Meeting with John Meserve, Irene A. Halpin, Steven W. Stone, Gerald T. Lins, and Michael R. Butowsky

On January 6, 2006, members from the Division of Market Regulation met with John Meserve and Irene A. Halpin of The Bank of New York, Steven W. Stone of Morgan Lewis & Bockius LLP, Gerald T. Lins of ING Investment Management, and Michael R. Butowsky of Mayer, Brown, Rowe & Maw LLP to discuss the proposed Commission guidance regarding client commission practices under Section 28(e) of the Securities Exchange Act of 1934. Topics discussed included: commission-sharing arrangements under Section 28(e).