

## MEMORANDUM

**TO:** File S7-09-05

**FROM:** Patrick M. Joyce  
Division of Market Regulation

**DATE:** April 27, 2006

**RE:** Client Commission Practices Under Section 28(e); File No. S7-09-05  
Meeting with representatives of Merrill Lynch & Co.

On April 26, 2006, members from the Division of Market Regulation met with Michael J. Lynch, Peggy C. Willenbacher, Gregory T. Russo, and Michael Bird of Merrill Lynch & Co. to discuss the Commission's proposed interpretive release on client commission practices under Section 28(e) of the Securities Exchange Act of 1934. The topics discussed included commission-sharing arrangements under Section 28(e) and the proposed eligibility criteria for brokerage under Section 28(e).