

## MEMORANDUM

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

**FROM:** Marlon Quintanilla Paz  
Division of Market Regulation

**DATE:** May 2, 2006

**RE:** Client Commission Practices Under Section 28(e); File No. S7-09-05  
Meeting with Alliance in Support of Independent Research

---

On April 5, 2006, members from the Division of Market Regulation met with Lee A. Pickard and William D. Edick of Pickard and Djinis LLP and members of the Alliance in Support of Independent Research, including Kristi P. Wetherington of Capital Institutional Services, Inc., Jason Deeble of Fidelity Capital Markets Services, Grady G. Thomas, Jr. of The Interstate Group, Division of Morgan Keegan, Gerald M. Visci of Second Street Securities, Inc., and John D. Meserve of Westminster Research Associates, a BNY Securities Group Company, to discuss the proposed Commission guidance regarding client commission practices under Section 28(e) of the Securities Exchange Act of 1934. Topics discussed included “brokerage and research” under Section 28(e); cross-border harmonization; and commission-sharing arrangements under Section 28(e).