

MEMORANDUM

TO: File S7-09-05

FROM: Hester Peirce
Counsel to Commissioner Paul Atkins

DATE: June 8, 2006

RE: Client Commission Practices under Section 28(e); File No. S7-09-05

On June 5, 2006, Commissioner Paul Atkins and Hester Peirce, counsel to Commissioner Atkins, met with Michael Lynch, Peggy Willenbacher, Gregory Russo, and Michael Bird of Merrill Lynch to discuss the Commission's proposed interpretive release on client commission practices under Section 28(e) of the Securities Exchange Act of 1934 and the issues raised in Merrill Lynch's comment letter on the proposed interpretation.