

## MEMORANDUM

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

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

**DATE:** June 21, 2006

**RE:** Client Commission Practices Under Section 28(e); File No. S7-09-05  
Meeting with Sanford C. Bernstein

On June 6, 2006, staff members of the Division of Market Regulation met with Lisa Shallet and Robert De Leon of Sanford C. Bernstein to discuss the Commission's proposed interpretive release on client commission practices under Section 28(e) of the Securities Exchange Act of 1934. The meeting included discussion of commission-sharing arrangements under Section 28(e).