

**MEMORANDUM**

April 5, 2005

TO: Files

FROM: Luis de la Torre  
Counsel to Commissioner Goldschmid

RE: Certain Broker-Dealers Deemed Not To Be Investment Advisers, Release  
Nos. 34-50980, IA-2340 (Jan. 6, 2005); File No. S7-25-99

On March 30, 2005, Commissioner Harvey J. Goldschmid and I met with Timothy C. Scheve of Legg Mason; Rob Mooney of Merrill Lynch; John H. Schaefer of Morgan Stanley; Ira Hammerman and Mark Lackritz of the Securities Industry Association; James D. Price of UBS Wealth Management; and Barry B. Barbash of Shearman & Sterling. Messrs. Scheve, Mooney, Schaefer, Hammerman, Lackritz, Price, and Barbash discussed the views expressed in their respective comment letters on the above proposal, including the subjects of suitability, the definition of discretionary account and financial planning, and the applicability of Section 206 of the Investment Advisers Act.