

MEMORANDUM

TO: Securities Exchange Act Release No. 50699 (File No. S7-39-04)

FROM: Richard Holley III
Division of Market Regulation

DATE: December 15, 2004

SUBJECT: Conference call regarding Release No. 34-50699

On December 15, 2004, staff of the Division of Market Regulation and the Office of Compliance Inspections and Examinations conducted a conference call with the staff of the National Association of Securities Dealers, Inc. to discuss proposed Rule 17a-26, including the scope of the proposed rule and the format of the reports that would be required by the proposed rule.