

# ABA

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January 4, 2005

Via e-mail: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549-0609

Re: SR-NYSE-2004-12 and SR-NASD-2004-140  
Prohibition of Abuses in Allocating Initial Public Offerings

Ladies and Gentlemen:

This letter is submitted on behalf of the Committee on Federal Regulation of Securities of the American Bar Association's Section of Business Law (the "Committee") with respect to the request for comments published by the Securities and Exchange Commission ("SEC") in SEC Release No. 34-50896 (December 20, 2004) with respect to proposed rules of the New York Stock Exchange and NASD relating to the prohibition of certain abuses in the allocation and distribution of shares in initial public offerings (the "IPO Proposals") and was prepared by the Committee's NASD Corporate Financing Rules Subcommittee.

We respectfully request that the SEC extend the comment period for the IPO Proposals so that it is coterminous with the comment period provided by the SEC's Division of Market Regulation with respect to proposed amendments to SEC Regulation M in SEC Release No. 33-8511 (December 9, 2004). We make this request because the IPO Proposals regarding *quid pro quo* allocations and policies concerning flipping are also the subject of the

proposed amendments to SEC Regulation M. The considerably shorter comment period for the IPO Proposals, only 21 days over the holiday period, will significantly impact the ability of commenters on both proposals to consider the relationship of the two rule-making initiatives.

We, therefore, respectfully request that the deadline for comments for the IPO Proposals be extended from January 18, 2005 to February 15, 2005, the deadline for comments with respect to the proposed amendments to SEC Regulation M.

Questions may be directed to Peter W. LaVigne (212) 558-7402 or Suzanne E. Rothwell (202) 371-7216.

Respectfully submitted,

/s/ Dixie L. Johnson

Dixie L. Johnson, Chair,  
Committee on Federal Regulation of  
Securities

/s/ Peter W. LaVigne

Peter W. LaVigne, Chair  
NASD Corporate Financing Rules Subcommittee

cc: Joseph E. Price, Vice President  
NASD Corporate Financing Department