

MEMORANDUM

TO: File S7-09-05

FROM: Marlon Quintanilla Paz
Division of Market Regulation

DATE: November 9, 2005

RE: Client Commission Practices Under Section 28(e); File No. S7-09-05
Telephonic Meeting with Michael R. Butowsky

On November 3, 2005, members from the Division of Market Regulation engaged in a conference call meeting with Michael R. Butowsky of Mayer, Brown, Rowe & Maw LLP to discuss the proposed Commission guidance regarding client commission practices under Section 28(e) of the Securities Exchange Act of 1934. The call focused on commission-sharing arrangements. In particular, we discussed the Commission's guidance of the phrase "provided by" under Section 28(e) and the elements necessary for a commission-sharing arrangement under which research and brokerage services are provided under Section 28(e).