

MEMORANDUM

To: File No. S7-07-08

From: Penelope W. Saltzman
Office of Regulatory Policy
Division of Investment Management

Date: November 4, 2009

Re: Conference Call with Representatives from NYSE Arca, Inc. (“NYSE Arca”)

On November 3, 2009, Lisa Dallmer and Sudhir Bhattacharyya from NYSE Arca participated in a conference call with SEC staff from the Division of Investment Management to discuss the Commission’s proposal regarding exchange-traded funds (“ETFs”) (Investment Company Act Release No. 28193 (March 11, 2008)) (“ETF proposal”). The following SEC staff participated in the call: Andrew J. Donohue, Director; Michael W. Mundt, Assistant Director; and Penelope W. Saltzman, Assistant Director.

The NYSE Arca representatives addressed comments made in the letters NYSE Arca submitted in response to the ETF proposal. In particular, they discussed support for an exemption from section 17(a) of the Investment Company Act to permit a broker-dealer affiliated with an ETF’s investment adviser to transact in-kind with the ETF, specifically in connection with the provision of initial capital for an ETF.