

MEMORANDUM

TO: Securities Exchange Act Release No. 50699 (File No. S7-39-04)
Securities Exchange Act Release No. 50700 (File No. S7-40-04)

FROM: Richard Holley III
Division of Market Regulation

DATE: December 21, 2004

SUBJECT: Meeting regarding Release Nos. 34-50699 and 34-50700

On December 21, 2004, staff of the Division of Market Regulation met with staff of the National Association of Securities Dealers, Inc. to discuss the proposed rulemaking and the concept release concerning self-regulatory organizations.