

MEMORANDUM

TO: File No. S7-10-04

FROM: Dan Gray
Division of Market Regulation

DATE: June 24, 2004

RE: Meeting with Liquidnet

On June 23, 2004, Division of Market Regulation staff met with Seth Merrin, Eric LeGoff, and Howard Meyerson of Liquidnet, and Mark Fitterman, counsel to Liquidnet. Liquidnet discussed the proposal in the Regulation NMS release to reduce the threshold triggering the fair access requirements of Regulation ATS from 20% to 5% of trading volume.