



Regulatory Circular 06-006

Date: June 30, 2006

To: ETP Holders

From: James C. Yong
Chief Regulatory Officer

Re: Changes to NSX Fee Schedule

SR-NSX-2006-09

The National Stock Exchange ("NSX" or the "Exchange") will file a rule change with the Securities and Exchange Commission (SR-NSX-2006-09) that imposes a new quotation fee. This fee change will take effect on July 3, 2006.

New Quotation Fee (Rule 11.10(A)(s)): Currently, the Exchange's fee schedule provides for fees payable by ETP Holders based upon, among other things, transactions executed on the Exchange, but does not provide for any fees based solely upon the number of changes to the price or size of an ETP Holder's displayed bid or offer. However, quotation updates can affect both the Exchange's systems resources and its regulatory functions. Accordingly, beginning July 3, 2006, the Exchange will charge a fee for high levels of quotation updates. The proposed quotation fee will be based upon the number of quotation updates posted by an ETP Holder, but will only apply to the extent an ETP Holder averages in excess of 3 million quotation updates per day.

The Exchange is proposing to charge ETP Holders that provide quote updates in excess of 3 million on an average daily basis a penny a quote for all quote updates in excess of 3 million. This monthly quote charge will be collected by the Exchange on a monthly basis. The formula for the quote charge is:

$$[(\text{Number of quotation updates for the month} / \text{number of trading days quoted}) - 3,000,000] \times \$0.01 \times \text{the number of trading days quoted.}$$

The text of the proposed fee schedule change is attached for reference. For additional information, please refer to SR-NSX-2006-09. If you have any questions, please call me at 312.786.8893 or Paul Smith at 312.786.7562.

EXHIBIT A

Text of Proposed Rule Change

Proposed new language is underlined; proposed deletions are in brackets.

RULES
OF
NATIONAL STOCK EXCHANGE

* * * * *

CHAPTER XI

Trading Rules

* * * * *

Rule 11.10 National Securities Trading System Fees

A. Trading Fees

(a)-(r) *No change.*

(s) Quotation Fee. ETP Holders will be charged for quotation updates based upon the per quotation update rates as noted below. A “quotation update” means each change to the price or size of a member’s displayed bid or offer on the Exchange.

<u>Avg. Daily Quotation Updates</u>	<u>Charge Per Quotation Update</u>
<u>0 to 3,000,000.....</u>	<u>\$0.00</u>
<u>3,000,001 and higher.....</u>	<u>\$0.01 over 3,000,000</u>

* * * * *