



Regulatory Circular 06-015

Date: November 8, 2006
To: ETP Holders
From: James C. Yong
Chief Regulatory Officer
Re: Transition of VLTS into NSX BLADESM

As you may know, the National Stock Exchange, Inc.[®] ("NSXSM" or the "Exchange") began a gradual phase-in of its new, proprietary state-of-the art technology platform, NSX BLADESM, on October 23rd. At that time, the Exchange transitioned one Nasdaq-listed stock into NSX BLADE from the Exchange's legacy system, National Securities Trading System ("NSTSSM") and an additional 19 stocks on October 31, 2006.

One additional Nasdaq-listed stock, Valentis, Inc. – ticker symbol VLTS – will be transitioned into NSX BLADE from NSTS on Friday, November 10, 2006. Additional Nasdaq-listed stocks will be phased into NSX BLADE over the next several weeks, followed by all non-Nasdaq listed securities (*i.e.*, securities listed on the New York Stock Exchange, the American Stock Exchange and other regional exchanges).

During this transitional period of phasing in various securities to the NSX BLADE system, the Exchange will be operating both the NSTS and the NSX BLADE Systems. Accordingly, the Exchange will be operating under two sets of rules during the phase-in period. Thus, ***all transactions in the NSTS System will still operate under the rules pertaining to NSTS (old Rule 11.9 (National Securities Trading System) and old Rule 11.10 (National Securities Trading System Fees)) while transactions in NSX BLADE will be subject to the new trading rules in SR-NSX-2006-08 and the new fee rules and schedules under Chapter XVI.*** (See SR-NSX-2006-10 and Regulatory Circular 06-012). For your convenience, we have, in addition to the posting of the entire set of the Exchange's Rules, segregated and identified the specific trading rules for NSTS and NSX BLADE in the Exchange's website, www.nsx.com. When the phase-in period expires and NSTS is no longer operational, old Rules 11.9 and 11.10 will be extinguished.

We will keep you informed as to the phase-in of other securities to NSX BLADE as well as other important milestones in transition process.

Any questions can be directed to me at 312.786.8893.