



Regulatory Circular 06-034

Date: December 14, 2006

To: ETP Holders

From: James C. Yong
Chief Regulatory Officer

Re: New Fee Schedules for Transactions through NSX BLADESM and ITS.

The National Stock Exchange, Inc. ("NSX" or the "Exchange") is adopting a new Fee Schedule which provides for a liquidity provider rebate and liquidity taker fee of \$0.0030 per share executed for transactions in Tape "A", "B" or "C" securities executed through NSX BLADE. The new pricing provides that ETP Holders who add liquidity to NSX BLADE will be paid a rebate of \$0.0030 per share executed, and ETP Holders who remove liquidity from NSX BLADE will be charged an execution fee of \$0.0030 per share executed. This new pricing is effective immediately.

The Exchange is also adopting a corresponding liquidity taker fee to its ITS Transactions Fee Schedule, which is applicable to transactions through the Plan for the Purpose of Creating and Operating an Intermarket Communications Linkage or the Intermarket Trading System Plan (hereinafter "ITS Plans"). Thus, an execution fee of \$0.0030 per share executed will be charged for transactions in Tape "A", "B" or "C" securities executed through NSX BLADE through an ITS Plan. There is no liquidity provider fee for transactions through an ITS Plan as such orders do not post and therefore do not add liquidity.

Tape "C" (Nasdaq-listed) stocks are currently being transitioned into NSX BLADE from the Exchange's legacy system, National Securities Trading System ("NSTS"). Tape "A" and "B" (listed) securities will be transitioned into NSX BLADE shortly.

The new Fee Schedules apply to transactions executed through NSX BLADE or the ITS Plans. The fees applicable to transactions executed through NSTS continue to be governed by Rule 11.10 of the Exchange Rules, and any Fee Schedule applicable to NSTS.

The new Fee Schedules are attached to this Circular for your information and are contained in a rule change proposal (SR-NSX-2006-17) filed yesterday with the Securities and Exchange Commission under Section 19(b)(3)(A) of the Securities Exchange Act of 1934, which rendered them effective upon filing. A copy of this rule change filing may be found on the NSX website.

Any questions can be directed to me at 312.786.8893.



NATIONAL STOCK EXCHANGE, INC.

FEE SCHEDULE

For Executions via NSX BLADESM

As of December, 2006

The following reflects the Schedule of Fees (pursuant to Rule 16.1(a) and Rule 16.1(c)) for all transactions executed via the National Stock Exchange System known as NSX BLADESM ("NSX BLADE" or the "System"):

1. **Order Matching.** Orders in Tape "A", "B" and "C" securities that are matched in NSX BLADE will be subject to the following rebates and execution fees (computed on a monthly basis):
 - A. *Rebate* for adding liquidity: **\$0.0030** per share executed.
 - B. *Execution fee* for removing liquidity: **\$0.0030** per share executed.
2. **Order Routing.** Orders that are routed via NSX BLADE and executed in another market center shall be charged **\$0.0040** per share executed.



NATIONAL STOCK EXCHANGE, INC.

FEE SCHEDULE

For ITS Transactions
As of December, 2006

The following reflects the Schedule of Fees (pursuant to Rule 16.1(a) and Rule 16.1(c)) respecting all transactions executed through the Intermarket Trading System Plan and/or the Plan for the Purpose of Creating and Operating an Intermarket Communications Linkage (hereinafter referred to as the "ITS Plans"). Transactions executed pursuant to the ITS Plans are referred to as "ITS Transactions".

- 1. ITS Transactions in Tape "B" Exchange Traded Funds through National Securities Trading System ("NSTSSM").** ITS Transactions executed through NSTS in *Exchange Traded Funds that are classified as Tape "B" securities* will be subject to an *execution fee* for removing liquidity of **\$0.0030** per share executed (computed on a monthly basis).
- 2. ITS Transactions in Tape "A", "B", and "C" Securities through NSX BLADESM.** ITS Transactions executed through NSX BLADE in *securities that are classified as Tape "A", "B" or "C" securities* will be subject to an *execution fee* for removing liquidity of **\$0.0030** per share executed (computed on a monthly basis).
- 3. Pass Through Costs.** NSX may pass through costs assessed to the Exchange by any third party to a specific ETP Holder or other person using the facilities of the Exchange that are attributable to any ITS Transactions.