

MEMO# 21124

May 9, 2007

Conference Call Scheduled to Discuss Nasdaq Proposal to Establish Trading System for "PORTAL Securities"

[21124]

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TO: EQUITY MARKETS ADVISORY COMMITTEE No. 27-07
FIXED-INCOME ADVISORY COMMITTEE No. 10-07
SEC RULES COMMITTEE No. 43-07 RE: CONFERENCE CALL SCHEDULED TO DISCUSS
NASDAQ PROPOSAL TO ESTABLISH TRADING SYSTEM FOR "PORTAL SECURITIES"

As we previously informed you, The NASDAQ Stock Market (Nasdaq) has filed a proposed rule change with the SEC to establish a quotation and trading system for "PORTAL securities," [\[1\]](#) generally those securities that were sold in private placements and are eligible for resale under SEC Rule 144A. [\[2\]](#)

Comments on the proposed rule change are due to the SEC no later than May 22. We have scheduled a conference call for Monday, May 14, 2007 at 1 pm Eastern to discuss the proposed rule change. The dial-in number for the conference call will be 888-455-3618 and the passcode for the call will be 31478. If you plan to participate on the call, please contact Jennifer Odom by e-mail at jodom@ici.org or by phone at 202-326-5833.

Among other things, the proposal will: (i) establish qualification requirements for QIBs that wish to access the PORTAL system; and (ii) implement quotation, trade negotiation and trade reporting functions for the PORTAL system with respect to PORTAL-designated securities. Institutions that execute a subscriber agreement, agree to comply with the PORTAL rules and meet the \$100 million standard of being a QIB under Rule 144A would be

qualified by Nasdaq as a “PORTAL Qualified Investor” eligible to access the PORTAL system. PORTAL securities may not be securities of an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act.

Heather L. Traeger
Assistant Counsel

endnotes

[\[1\] Memorandum](#) to Equity Markets Advisory Committee No.26-07, SEC Rules Members No. 47-07 and Fixed-Income Advisory Committee No. 9-07, dated May 8, 2007 [21109].

[\[2\]](#) Rule 144A provides an exemption from registration under Section 5 of the Securities Act of 1933 for resales of privately placed securities to investors that meet the eligibility requirements of being a qualified institutional buyer (“QIB”) under Rule 144A(a)(1). QIBs include institutional investors that in the aggregate own or invest on a discretionary basis at least \$100 million in securities and broker/dealers that in the aggregate own or invest on a discretionary basis at least \$10 million in securities.

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