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recently adopted rules

regulator	release date	release no.	description
SEC	5/13/2008	Release No. IC-28266	The SEC is amending Rule 2a-46 under the Investment Company Act to expand the definition of "eligible portfolio company" to include any domestic operating company that has a class of securities listed on an Exchange, and that has a market capitalization of less than \$250 million.
NSCC	5/12/2008	Release No. 34-57813	The SEC has approved NSCC'S Alternative Investment Products Service, a processing platform for alternative investment products such as hedge funds, funds of hedge funds, commodities pools, managed futures, and real estate investment trusts.

proposed rules

regulator	release date*	release no.	description
ISE	5/12/2008	SR-ISE-2008-028	ISE is proposing to expose public customer orders that are not executable on the Exchange, before sending an order through the intermarket linkage system on behalf of the public customer.

* With regard to rule proposals of SROs, the date represented is the date of the SEC release seeking comment, except where the SEC has not yet published the rule for comment. In that case, the date represented is the date the SRO submitted the proposal to the SEC.

notices to members

regulator	release date	release no.	description
FINRA	5/15/2008	Information Memo	FINRA is informing its members of the delivery requirements for the April 2008 Supplement to the Options Disclosure Document.
FINRA	5/15/2008	Interpretive Memo	FINRA has issued an Interpretive Letter concerning the use of a negative response process under NASD Rule 2510(d)(2)(D), to designate an alternative money market sweep fund when an existing sweep fund closes with inadequate notice.

FINRA

5/14/2008

[Regulatory Notice 08-26](#)

FINRA is proposing to adopt a new FINRA rule based on NASD Rule 2280. With certain exceptions, the new rule would require member firms to provide customers with FINRA's web address, and information regarding FINRA's BrokerCheck program, at least once every calendar year.

FINRA

5/14/2008

[Regulatory Notice 08-25](#)

FINRA is requesting comment on proposals relating to the FINRA books and records rules.

FINRA

5/14/2008

[Regulatory Notice 08-24](#)

FINRA is requesting comment on proposals relating to the FINRA supervision and supervisory control rules.

FINRA

5/14/2008

[Regulatory Notice 08-23](#)

FINRA is requesting comment on proposals relating to the FINRA financial responsibility rules.

FINRA

5/09/2008

[Regulatory Notice 08-22](#)

FINRA is notifying its members of SEC approval of a rule amendment adding an annual revenue limitation to the definition of public arbitrator, set forth in the Code of Arbitration Procedure.

enforcement actions of interest

regulator	release date	parties	description of penalty and allegations
FINRA	5/15/2008	TradeStation Securities, Inc., E*Trade Securities, LLC, and CIBC World Markets Corp.	FINRA has fined three firms a total of \$1.6 million for multiyear violations relating to FINRA's OATS rules and reporting violations.

This Regulatory Update is provided as a general informational service to clients and friends of Morgan, Lewis & Bockius LLP. It should not be construed as imparting legal advice on any specific matter.

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