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**MEMORANDUM**

June 30, 2004

TO: File S7-23-03

FROM: Alexandra Albright  
Division of Market Regulation

RE: Short Sales Rules; Regulation SHO; File No. S7-23-03  
LEK Securities Corp. Conference Call Meeting

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On June 14, 2004, members from the Division of Market Regulation and Office of Economic Analysis engaged in a conference call meeting with Samuel Lek, of LEK Securities Corp., to discuss costs associated with the proposed short sales rules. In brief, the call focused on the impact of costs on smaller broker-dealers with compliance of proposed Regulation SHO.

