



NYSE Arca WEEKLY BULLETIN

February 29, 2008 WB-08-09

The Bylaws and Rules of NYSE ArcaSM Exchange ("Exchange"), in certain specific instances, require the Exchange to provide notice to all OTP Firms and OTP Holders (collectively "OTPs") and ETP Holders ("ETPs"). To satisfy this requirement, a copy of the *Weekly Bulletin*, including *Regulatory Bulletins*, is provided to all OTPs and ETPs on a weekly basis.

Pursuant to Exchange Rules, all OTPs and ETPs are reminded to promptly report business, home and mailing address changes, telephone number changes, and e-mail address changes to crs@nyx.com or Client Registration Services at (415) 393-4114.

NYSE Arca Equities

APPROVED ETP HOLDERS*

MTG, LLC
Marquis Holdings, Inc.
Oppenheimer & Co, Inc.

TERMINATED ETP HOLDERS

(none)

NAME CHANGE

(none)

Total ETP Holders	602
Total MM/ETP Holders	36
Total OTP Holders	92

NEW OTP FIRMS AND HOLDERS

(none)

CORRECTIONS

(none)

TERMINATED OTP FIRMS AND HOLDERS

(none)

OTP POSTINGS

The following applicants have applied for OTP status at the Exchange and are being posted for a period of three business days, during which time interested OTPs may submit written comments with respect to the qualifications of the applicants. Admission of applicants will become effective after applicants have been cleared and approved for OTP status pursuant to the policies of the Exchange.

02/22 – Gottbeb, Ophir A. – Market Maker Authorized Trader for Cutler Group, LP

REPORTS DUE TO THE EXCHANGE

Focus Report Due Dates – SEC Rules 17a-5(a) & 17a-10

FOCUS Reports must be submitted electronically and received by the NYSE Arca Financial & Operational Compliance Department on or before the following due dates:

Monthly FOCUS Reports are required from all NYSE Arca Market Makers and NYSE Arca Lead Market Makers:

February 2008 Monthly FOCUS Report
Due: Wednesday, March 26, 2008

Quarterly FOCUS Reports are required from all Clearing OTPs and DEA Broker-Dealers subject to the SEC Net Capital Rule:

1st Quarter 2008 FOCUS Report
Due: Wednesday, April 23, 2008

Annual Audited Financial Statements – SEC Rule 17a-5(d)

OTPs and ETPs are reminded to file their Annual Reports with the NYSE Arca Financial & Operational Compliance Department by the following due dates:

OTPs and ETPs with FYE December 31, 2007..... February 29, 2008

OTPs and ETPs with FYE January 31, 2008March 31, 2008

OTPs and ETPs are reminded to submit Annual Audited Financial Statements, Material Change Forms, Financial Arrangement Disclosures, and SIPC payments to the following address:

NYSE Euronext
Attn: [Firm's NYSE Coordinator]
20 Broad Street, 21st Floor
New York, NY 10005
Fax: (212) 656-5748

IMM ASSIGNMENTS

IMM assignment for QQQQ: J45I J45I-CGRPA 3/03 to 3/07

IMM assignment for IWM: J20A A55-PRSQO 3/03 to 3/07

For more information visit:

http://www.nyse.com/pdfs/Issues_No_LMM.pdf

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REGULATORY INFORMATION BULLETIN

RB-08-18
February 28, 2008

TO: ETP Holders

SUBJECT: Deutsche Bank AG, Gold Exchange-Traded Notes

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses customer suitability. Please forward this Information Bulletin to other interested persons within your organization.

The following exchange-traded notes ("ETNs") have been approved for Listing on NYSE Arca and will commence trading on February 28, 2008:

<u>Exchange-Traded Notes</u>	<u>Symbol</u>
DB Gold Double Short Exchange-Traded Notes due February 15, 2038	DZZ
DB Gold Double Long Exchange-Traded Notes due February 15, 2038	DGP
DB Gold Short Exchange-Traded Notes due February 15, 2038	DGZ

Background on the ETNs

As more fully explained in the Registration Statement No. 333-137902, the ETN's issued by Deutsche Bank AG are linked to the month over month performance of a total return version of the Deutsche Bank Liquid Commodity Index – Optimum Yield GoldTM ("Index"), less an investor fee. The return on the Index is derived by combining the returns on two component indices: the DB 3-Month T-Bill Index and the Deutsche Bank Liquid Commodity Index – Optimum Yield GoldTM Excess Return ("Gold Index"). DB Gold Double Short Exchange Traded Notes due February 15, 2038 ("Gold Double Short ETNs") and DB Gold Short Exchange Traded Notes due February 15, 2038 ("Gold Short ETNs") offer investors short, or inverse, exposure to the gold index, meaning the value of the Gold Double Short ETNs and the Gold Short ETNs will increase with monthly depreciations and decrease with monthly appreciations of the gold index. DB Gold Double Long Exchange Traded Notes due February 15, 2038 ("Gold Double Long ETNs") offer investors long exposure to the gold index, meaning the value of the Gold Double Long ETNs will increase with monthly appreciations in the gold index and decrease with monthly depreciations in the gold index. In addition, Gold Double Short ETNs and Gold Double Long ETNs are two times leveraged with respect to the gold index and, as a result, will benefit from two times any beneficial, but will be exposed to two times any adverse, monthly performance of the gold index. The ETNs will initially be issued in denominations of \$25. For a more complete description of the ETNs and the payment at maturity, repurchase and repurchase value, repurchase mechanics, valuation, index factors, fees and risk factors, consult the prospectuses ("Prospectus").

Information on the Underline Indexes

Deutsche Bank Liquid Commodity Index–Optimum Yield Gold™ Excess Return:

The Gold Index is intended to reflect the changes in market value, positive or negative, of the gold sector and is comprised of a single gold futures contract (the “underlying gold futures contract”) traded on the COMEX Division (“COMEX”) of the New York Mercantile Exchange, Inc. or its successor (“NYMEX”). The closing price for the underlying gold futures contract on an index business day is the price of such contract, expressed in U.S. dollars per troy ounce, at the regular close of the principal trading session on such day on COMEX, as published by COMEX for that index business day or, if in the determination of the index sponsor, a price is not available on such index business day (including by reason of there being an exchange holiday on such index business day), the price as published by COMEX for the immediately preceding index business day for which a price is available.

The gold index is calculated on an excess return, or unfunded, basis and has been calculated back to a base date of December 2, 1988. On the base date the closing level of the gold index was 100.

DB 3-Month T-Bill Index:

The TBill index is intended to approximate the returns from investing in 3-month United States Treasury bills on a rolling basis.

On any index business day, the closing level of TBill index is equal to the TBill index closing level on the index business day immediately preceding such index business day multiplied by the product of (i) the sum of (a) one and (b) the T-bill accrual factor for such index business day and (ii) the sum of (a) one and (b) the T-bill accrual factor for such index business day raised to the power of the number of days which are not index business days during the period from (but excluding) the index business day immediately preceding such index business day to (but excluding) such index business day.

Valuation of the Securities

According to the Prospectuses, an intraday “Indicative Value” meant to approximate the intrinsic economic value of the ETNs will be published under the Bloomberg, as noted below:

<u>Exchange-Traded Note</u>	<u>Indicative Value</u>
DB Gold Double Short Exchange-Traded Notes due February 15, 2038	DZZIV
DB Gold Double Long Exchange-Traded Notes due February 15, 2038	DGPIV
DB Gold Short Exchange-Traded Notes due February 15, 2038	DGZIV

The actual trading price of the Securities may vary significantly from their Indicative Value.

Additionally, the calculation agent will publish the daily repurchase value for each offering of securities on the following Bloomberg pages:

<u>Exchange-Traded Note</u>	<u>Repurchase Value</u>
DB Gold Double Short Exchange-Traded Notes due February 15, 2038	DZZRP
DB Gold Double Long Exchange-Traded Notes due February 15, 2038	DGPRP
DB Gold Short Exchange-Traded Notes due February 15, 2038	DGZRP

The term “indicative value” refers to the value at a given time based on the following equation:

Repurchase value = current principal amount per security X applicable index factor X applicable fee factor where:

Current principal amount = For the period from the inception date to March 31, 2008 (such period, the “initial calendar month”), the current principal amount will equal \$25.00 per security. For each subsequent calendar month, the current principal amount will be reset as follows on the monthly reset date:

New current principal amount = *previous* current principal amount X applicable index factor on the applicable monthly valuation date X fee factor on the applicable monthly valuation date

Applicable index factors = Index factor for Gold Double Short ETNs = 1 + TBill index return – (2 x gold index return)

Index factor for Gold Double Long ETNs = 1 + TBill index return + (2 x gold index return)

Applicable fee factor = Index factor for Gold Short ETNs = 1 + TBill index return – gold index return; and
 On any given day, the fee factor will be calculated as follows:
 1 - [Investor fee of 0.75% per annum X day count fraction].

Repurchase

According to the Prospectus, the Securities may be repurchased prior to maturity. Offers to repurchase at least 200,000 securities (or an integral multiple of 50,000 securities in excess thereof) from a single offering or more to Deutsche Bank no later than 10:00 a.m., New York City time, beginning on March 3, 2008 and ending on the final valuation date, on your desired valuation date. For a complete description of the repurchase procedures and payment upon repurchase, see the Prospectus.

Risk Factors Related to Investing in the ETNs

The ETNs are unsecured promises of Deutsche Bank and are not secured debt. The ETNs are riskier than ordinary unsecured debt securities. As stated in the Prospectus, an investment in the ETNs includes but is not limited to the following risks: carries certain risks:

- The principal of the securities is not protected and the ETNs may lose all or a significant portion of their value;
- Even if the gold index and TBill index at maturity or upon repurchase by Deutsche Bank have moved beneficially relative to their initial levels, an investor may receive less than their initial investment in the securities
- The Gold Double Short ETNs or the Gold Double Long ETNs, any adverse monthly performance will be leveraged, meaning an investor will lose an amount from the current principal amount at a rate of 2% for every 1% of adverse performance of the gold index (subject to any positive return on the TBill index and to application of the fee factor);
- If the current principal amount increases above \$25, any subsequent adverse monthly performance will result in a larger dollar reduction from the current principal amount than if the current principal amount remained constant at \$25;
- If the current principal amount decreases below \$25, any subsequent beneficial monthly performance will result in a smaller dollar increase on the current principal amount than if the current principal amount remained constant at \$25;
- It is possible that the securities will be accelerated and the investment will be lost before the scheduled maturity of the securities;
- There are restrictions on the minimum number of securities that may be offer to Deutsche Bank for repurchase;
- A fee of up to \$0.03 per security will be charged upon a repurchase;
- The market value of the securities may be influenced by many unpredictable factors;
- The price of gold reflected in the gold index is subject to emerging markets' political and economic risks;
- The ETNs return will not reflect the return on a direct investment in gold;
- Changes in Deutsch Bank's credit ratings may affect the market value of the securities;
- An investor will not receive interest payments on the securities or have rights in the sub-index components;
- There may not be an active trading market in the securities; sales in the secondary market may result in significant losses;

- Suspension or disruptions of market trading in commodities and related futures may adversely affect the value of the securities;
- Concentration risks associated with the Index may adversely affect the value of the securities;
- Trading by Deutsche Bank and other transactions by Deutsche Bank and/or its affiliates in instruments linked to the sub-indices or index components may impair the market value of the securities;
- The liquidity of the market for the securities may vary materially over time;
- The business activities of Deutsche Bank may create conflicts of interest;
- If a market disruption event has occurred or exists on a valuation date or the final valuation date, the calculation agent can postpone the determination of the index factor for each offering of securities, the maturity date or a repurchase date; and
- The U.S. tax consequences of an investment in the ETNs are unclear.

Prospectus Delivery

ETP Holders are advised to consult the “Supplemental Plan of Distribution” in the Prospectus regarding prospectus delivery requirements.

Exchange Rules Applicable to Trading in the Securities

The ETN’s are considered equity securities, thus rendering trading in the Securities subject to the Exchange’s existing rules governing the trading of equity securities.

Trading Hours

The Securities will trade on NYSE Arca in the Opening, Core and Late trading sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a). The trading increment for the Securities will be \$0.01.

Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the Securities during the Exchanges Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Opening and Late Sessions, (2) the indicative value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7), since the indicative value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable calculate an implied value for the Securities in those sessions may be at a disadvantage to market professionals.

Suitability

ETP Holders are reminded of their obligations under NYSE Arca Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the ETN or recommending a transaction in the ETN that an investment in the ETN is suitable for the customer. ETP Holders should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Securities and Exchange Commission.



REGULATORY INFORMATION BULLETIN

RB-08-17
February 26, 2008

TO: ETP Holders

SUBJECT: Market Vectors—Lehman Brothers AMT-Free Short Municipal Index ETF

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares (“Shares”) of the exchange-traded fund (“Fund”) issued by the Market Vectors ETF Trust (Trust). Please forward this Information Bulletin to other interested persons within your organization.

The following security has been approved for UTP Trading on NYSE Arca and will commence trading on February 26, 2008:

Exchange-Traded Funds

Symbol

Market Vectors—Lehman Brothers AMT-Free Short Municipal
Index ETF

SMB

Background Information on the Fund

As more fully explained in the Registration Statement (Nos. 811-10325 and 333-123257) for the Trust, the Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended (“1940 Act”), and currently consists of thirteen investment portfolios, including the Fund. The Fund is a registered investment company and an exchange-traded “index fund.”

The Fund’s investment objective is to replicate as closely as possible, before fees and expenses, the price and yield performance of the Lehman Brothers AMT-Free Short Continuous Municipal Index. To be included in the Short Index, bonds must be rated Baa3/BBB- or higher by at least two of the following ratings agencies: Moody’s Investors Service, Inc., Standard & Poor’s and Fitch Inc. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential Short Index constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date within the last five years and have a nominal maturity of 1-6 years. The following types of bonds are excluded from the Short Index: bonds subject to the alternative minimum tax, remarketed issues, taxable municipal bonds, floaters, and derivatives. The Index has

four main sectors: general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The Short Index is calculated using a market value weighting methodology.

The Fund expects to use a sampling approach in seeking to achieve its objective. Sampling means that the Adviser uses quantitative analysis to select municipal bonds and other securities that represent a sample of securities in the Index in terms of key risk factors, performance attributes and other characteristics. The quantity of holdings in the Fund will be based on a number of factors, including asset size of the Fund. The Adviser generally expects the Fund to hold less than the total number of securities in the Index, but reserves the right to hold as many securities as it believes necessary to achieve the Fund's investment objective.

Van Eck Associates Corporation serves as investment adviser and administrator to the Fund. Van Eck Securities Corporation is the distributor ("Distributor") for the Fund. The Bank of New York is the custodian and fund accounting and transfer agent for the Fund.

As described more fully in the Trust's prospectus ("Prospectus") and Statement of Additional Information ("SAI"), the Trust will issue and redeem shares on a continuous basis, at their net asset value ("NAV"), only in large blocks of 50,000 Shares (each, a "Creation Unit"). Creation Units will be issued and redeemed principally in-kind for securities included in the index. Except when aggregated in Creation Units, the Shares are not redeemable securities of the Fund.

The Fund pays out dividends from net investment income, if any, to shareholders monthly. Distributions of net capital gains, if any, are declared and paid to shareholders annually, but the Trust may make distributions more frequently under certain circumstances.

The Depository Trust Company ("DTC") serves as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

The NAV per Share of the Fund will be determined as of the close of trading (normally, 4:00 p.m. Eastern Standard Time ("ET")) on each day that the American Stock Exchange is open for business (a "Business Day"). NAV is calculated by dividing the value of the net assets of a Fund (i.e., the total value of its assets less all liabilities) by the total number of Shares of the Fund outstanding. NAV will be available from the Distributor and is also available to National Securities Clearing Corporation ("NSCC") participants through data made available from NSCC.

The Trusts Registration Statement describes the various fees and expenses for the Fund's shares. For a more complete description of the Fund and the Index, visit www.vaneck.com.

Principal Risks

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Shares. These risks include the risk that a Fund's return may not match the return of its index for a number of reasons including the incursion by a Fund of operating expenses and

costs not applicable to its index. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Share.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Exchange's Core Trading Sessions or from 9:30 a.m. ET until 4:00 p.m. ET. The Shares will trade on NYSE Arca in the Opening, Core and Late trading Sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a).

Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the Funds Shares during the Exchanges Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying index value may not be updated during the Opening and Late Sessions, (2) the intraday indicative value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7), since the intraday indicative value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

Suitability

ETP Holders are reminded of their obligations under NYSE Arca Equities Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. ETP Holders should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

The Exchange will halt trading in the Shares if (a) the primary market stops trading the Shares because of a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12 and/or (b) the primary market delists the Shares. In addition, the Exchange will halt trading in the Shares

in accordance with NYSE Arca Equities Rule 7.12 (“Trading Halts Due to Extraordinary Market Volatility”) and NYSE Arca Rule 7.34(a)(4) (“Trading Halts for UTP Trading of Derivative Securities Products”).

Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from a Fund (by delivery of the designated securities) must receive a Prospectus. In addition, ETP Holders are required to deliver a Prospectus to all purchasers of newly-issued Shares (i.e. during the initial public offering). ETP Holders purchasing shares from a Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Fund’s website. The Prospectus does not contain all of the information set forth in the Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information about a Fund, please refer to the Registration Statement.

In the event that a Fund relies upon an order by the Commission exempting the Shares from certain Prospectus delivery requirements under Section 24(d) of the 1940 Act and makes available a written product description, NYSE Arca Equities Rule 5.2(j)(3) Commentary .01(h) requires that ETP Holders provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust, no later than the time a confirmation of the first transaction in the Shares, is delivered to such purchaser. In addition, ETP Holders shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a ETP Holder to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: “A circular describing the terms and characteristics of Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund.”

An ETP Holder carrying an omnibus account for a non-ETP Holder is required to inform such non-ETP Holder that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-ETP Holder to make such written description available to its customers on the same terms as are directly applicable to ETP Holders under this rule.

Upon request of a customer, ETP Holders shall also provide a copy of the Prospectus.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Commission has issued letters dated November 21, 2005 and April 9, 2007 (together, the "No-Action Letters") granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for exchange-traded funds listed and traded on a registered national securities exchange that meet certain criteria. The Fund qualifies for the relief granted in the No-Action Letters, a description of which follows.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of a fund (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the Fund for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter to paragraph (e) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund shares in Creation Units for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to the Fund for purposes of purchasing creation unit aggregations ("Deposit Securities") or the identity, number and price of shares to be delivered by the Trust to the redeeming holder ("Redemption Securities"). The composition of the securities required to be tendered to the Fund for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- (1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;

- (2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- (3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

SEC Rule 14e-5

The Commission has permitted any person acting as a dealer-manager of a tender offer for a component security of fund (1) to redeem fund shares in creation unit aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase fund shares during such tender offer. In addition, a No-Action has been issued under Rule 14e-5 states that if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more creation unit aggregations of shares, it must be made in conformance with the following:

- (i) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
- (ii) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- (iii) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The Commission has clarified that Section 11(d)(1) does not apply to broker-dealers that are not authorized participants (and, therefore, do not create creation unit aggregations) that engage in both proprietary and customer transactions in shares of a fund in the secondary market, and for broker-dealer authorized participants that engage in creations of creation unit aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an authorized participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the shares of a fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830 (I)(5)(A),

(B) or (C). See letter dated November 22, 2005 from Brian A Bussey, Assistant Chief Counsel, SEC Division of Market Regulation, to Barclays Global Investors, N.A., dated November 22, 2005. The Commission has issued a No-Action Letter under Section 11(d)(1) of the Act states that broker-dealers may treat shares of a fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The Commission has issued a No-Action letter with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of fund shares and secondary market transactions therein.

This Information Bulletin is not a statutory Prospectus. ETP Holders should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Inquiries regarding this Information Bulletin should be directed to Timothy J. Malinowski, Director, ETF's and Indexes, at (312) 442-7886.



REGULATORY INFORMATION BULLETIN

RB-08-16
February 26, 2008

TO: ETP Holders and Sponsored Participants

SUBJECT: United States Gasoline Fund, L.P.

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing units ("Unit") of United States Gasoline Fund, L.P. ("Fund" or "UGA"). Please forward this Information Bulletin to other interested persons within your organization.

The following security has been approved for UTP trading on NYSE Arca and will commence trading on February 26, 2008:

Exchange-Traded Funds

United States Gasoline Fund, L.P.

Symbol

UGA

Background Information on the Fund

As more fully explained in the Registration Statement (No. 333-142206) for the United States Gasoline Fund, L.P., the Fund is designed to track the performance in percentage terms of the price of unleaded gasoline (also known as reformulated gasoline blendstock for oxygen blending or ("RBOB"), for delivery to New York harbor, as measured by the changes in the price of the unleaded gasoline futures contract ("RBOB Futures Contract") traded on the New York Mercantile Exchange ("NYMEX") (the "Benchmark Futures Contract"), less expenses. Each Unit of the Fund ("Unit" or "Units") represents a fractional undivided beneficial interest in the net assets of the Fund. The Fund is not registered as an investment company under the Investment Company Act of 1940.

UGA is a Delaware limited partnership that was formed in April 2007 and operated by Victoria Bay Asset Management, LLC, a single member Delaware limited liability company ("General Partner" or "Victoria Bay"). The General Partner is wholly owned by Wainwright Holdings, Inc. The General Partner is a registered commodity pool operator ("CPO") with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA"). Brown Brothers Harriman & Co. ("Administrator") is the administrator and custodian for the Fund and ALPS Distributors, Inc. ("Marketing Agent") is the marketing agent for the Units of the Fund. ABN AMRO ("Clearing Broker") is the clearing broker for the execution and clearing of the futures contracts of the Fund.

The investment objective of UGA is for its net asset value ("NAV") to reflect the changes in percentage terms of the price of unleaded gasoline delivered to New York harbor as measured by the RBOB Futures Contract traded on the NYMEX as well as futures contracts based on natural gas, crude oil, heating oil, and other petroleum-based fuels traded on the NYMEX, Intercontinental Exchange ("ICE Futures") or other U.S. and foreign exchanges (collectively, "Futures Contracts").

UGA may also invest in other gasoline-related investments such as cash-settled options on Futures Contracts, forward contracts for gasoline, and over-the-counter ("OTC") transactions that are based on the price of gasoline, natural gas, oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing (collectively, "Other Gasoline Related Investments"). Futures Contracts and Other Gasoline Related Investments collectively are referred to as "Gasoline Interests."

UGA will invest in Gasoline Interests to the fullest extent possible without being leveraged or unable to satisfy its current or potential margin or collateral obligations. In pursuing this objective, the primary focus of UGA's investment manager, Victoria Bay will be the investment in Futures Contracts and the management of its investments in short-term obligations of the United States ("Treasuries"), cash equivalents and cash (collectively, "Cash") for margining purposes and as collateral.

As described more fully in the prospectus and the registration statement for the Fund, a minimum of 100,000 Units will be required to be outstanding at the start of trading. Once trading has commenced, the Fund will issue Units on a continuous basis. The Fund will issue and redeem Units only in blocks of 100,000 Units or integral multiples thereof to Authorized Participants. A block of 100,000 Units is called a "Basket." These transactions will be in exchange for a Deposit Amount equal to 100,000 multiplied by the net asset value ("NAV") per Share of the Fund determined on each business day by the Administrator. Initially, the Deposit Amount will be approximately \$5 million. The Administrator will determine the Deposit Amount for a given business day by multiplying the NAV for each Share by the number of Units in each Basket (100,000). Only registered broker-dealers or other market participants, such as banks and other financial institutions that are exempt from broker-dealer registration, that become Authorized Participants by entering into a participant agreement with the General Partner and the Fund may purchase or redeem Baskets. Units will be offered to the public at prices that will reflect, among other things, the price of unleaded gasoline delivered to New York harbor as measured by the RBOB futures contract traded on the NYMEX and the trading price of the Units at the time of the offer. Market prices for the Units may be different from the NAV per Share. Except when aggregated in Baskets, Units are not redeemable securities.

Other Information

The NAV of the Fund is obtained by subtracting the Fund's expenses and liabilities on any day from the value of the Fund's assets. The NAV will be calculated shortly after the close of trading on the American Stock Exchange ("Amex") using the settlement value of the RBOB Futures

Contracts traded on the NYMEX as of the earlier of the close open-outcry of trading on the NYMEX at 2:30 p.m. Eastern Time (“ET”) or 4:00 p.m. ET, and for the value of other Gasoline Related Investments and Treasuries, the value of such investments as of the earlier of 4:00 p.m. ET or the close of trading on the New York Stock Exchange. The NAV is calculated by including any unrealized profit or loss on the RBOB Futures Contracts, other Gasoline Futures Contracts and other Gasoline Related Investments and any other credit or debit accruing to the Fund but unpaid or not received. The NAV per Unit is obtained by dividing the NAV of the Fund on a given day by the number of Units outstanding on that date. The Administrator will value all Futures Contracts based on that day’s settlement price. However, if a Futures Contract on a trading day cannot be liquidated due to the operation of daily limits or other rules of an exchange upon which such futures contract is traded, the settlement price on the most recent trading day on which such Futures Contract could have been liquidated will be used in determining NAV. The value of the Other Gasoline Interests will be valued based upon a determination of the Administrator as to their fair market value.

Shortly after 4:00 p.m. ET each business day, the General Partner will determine and disseminate the Deposit Amount for orders placed by Authorized Participants by 12:00 p.m. ET that day. To receive the NAV of the Units on that business day, a purchase order must be received by 12:00 p.m. ET. Delivery of the Deposit Amount must occur by the third business day following the purchase order date (T+3). Purchase orders placed by 12:00 p.m. ET are irrevocable. Baskets are then issued as of 12:00 p.m. ET, on the business day immediately following the purchase order date (T+1) at the NAV per share on the purchase order date if the required payment has been timely received. The Administrator will also at the same time determine an “Estimated Deposit Amount” that Authorized Participants can use as an indicative amount of Treasuries and cash to be deposited for issuance of the Units on the next business day. The Deposit Amount, the Estimated Deposit Amount and the NAV are communicated by the Administrator to all Authorized Participants via facsimile or electronic mail message and will be available on the Fund’s website at <http://unitedstatesgasolinefund.com>. The most recently reported NAV for the Units will also be available on the Exchange’s website.

The Fund’s expense ratio, in the absence of any extraordinary expenses and liabilities, is expected to be 0.69% of the net assets of the Fund.

DTC serves as the securities depository for the Units, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Units of the Fund.

Indicative Partnership Value

In order to provide updated information relating to the Fund for use by investors, professionals and persons wishing to create or redeem Units, the Amex will disseminate through the facilities of Consolidated Tape Association (“CTA”), an updated Indicative Partnership Value (“Indicative Partnership Value”). The Indicative Partnership Value will be disseminated on a per Unit basis every 15 seconds during the Exchanges’ Core Trading Session (9:30 a.m. to 4:15 p.m.

ET) under the index symbol "UGA.IV." The Indicative Partnership Value will be calculated based on the Treasuries and cash required for creations and redemptions (i.e. NAV per Share x 100,000) adjusted to reflect the price changes of the current Benchmark Gasoline Futures Contract. After the close of open outcry on NYMEX at 2:30 p.m. ET, the Indicative Partnership Value will reflect changes to the relevant Benchmark Futures Contract as provided for through CME Globex[®]. Open-outcry trading on the NYMEX closes daily at 2:30 p.m. ET while NYMEX's energy futures contracts are traded on the Chicago Mercantile Exchange's CME Globex electronic trading platform on a twenty-four (24) hour basis. The Indicative Partnership Value on a per Unit basis disseminated during Amex trading hours should not be viewed as a real time update of the NAV, which is calculated only once a day by the Administrator.

Continuous Offering

The method by which Basket aggregations of Units are created and traded may raise certain issues under applicable securities laws. Because new Units may be issued by the Fund on an ongoing basis, at any point a distribution may occur. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus-delivery requirement and liability provisions of the Securities Act of 1933 ("Securities Act"). For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it purchases Basket aggregations, breaks them down into constituent Units, and sells such Units directly to customers, or if it chooses to couple the creation of a supply of new Units with an active selling effort involving solicitation of secondary market demand for Units. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Creation and Redemption of Units

The Fund will issue and redeem Units on a continuous basis only in Baskets of 100,000 Units or multiples thereof, by or through Authorized Participants. Basket Aggregations will be issued in exchange for the corresponding Deposit Amount that will be determined on each business day by the Administrator. The Deposit Amount necessary for the creation of a Basket will change from day to day. The initial Deposit Amount will be \$5 million. On each day that the Amex is open for regular trading, the Administrator will adjust the Deposit Amount as appropriate to reflect the prior day's Partnership NAV and accrued expenses. Authorized Participants that wish to redeem a Basket will receive Treasuries and cash in exchange for each Basket surrendered in an amount equal to the NAV per Basket ("Redemption Amount"). These items are described in the Fund's prospectus and registration statement.

Authorized Participants that wish to purchase a Basket must transfer the Deposit Amount plus a transaction fee of \$1,000 to the Fund in exchange for a Basket. No Units will be issued

unless and until the Administrator has informed the Marketing Agent that it has allocated to the Fund's account the required funds necessary for the Deposit Amount plus transaction fee. Authorized Participants that wish to redeem a Basket will receive the Redemption Amount in exchange for each Basket surrendered less the transaction fee of \$1,000. The Redemption Amount will be delivered to the Authorized Participant upon confirmation that the Fund's DTC Account has received the Basket.

The Administrator will provide an Estimated Deposit Amount for the next business day. Authorized Participants may use the Estimated Deposit Amount as guidance regarding the amount of Treasuries and cash expected to deposit with the Administrator. Before 4:00 p.m. ET, the Authorized Participants may use the Estimated Deposit Amount as guidance in respect of the Deposit Amount that they may expect to be required to deposit in connection with the issuance of Units on the next business day.

The Fund's prospectus and registration statement describe additional procedures and requirements that apply to the creation and redemptions of Units. ETP Holders interested in becoming an Authorized Participant, or obtaining a list of Authorized Participants, can contact the Marketing Agent at www.alpsinc.com for more information.

Information About the Gasoline Futures Contracts

The Fund will purchase RBOB Futures Contracts traded on the NYMEX. The investment objective of UGA is for changes in percentage terms of a unit's NAV to reflect the changes in percentage terms of the price of unleaded gasoline delivered at New York harbor as measured by the RBOB Futures Contract traded on the NYMEX. The RBOB or Benchmark Futures contract employed is the near month expiration contract, except when the near month contract is within two (2) weeks of expiration, in which case it will invest in the next expiration month. The Benchmark Futures Contracts will be changed or "rolled" from the near month contract to expire to the next month to expire over a four (4) day period.

Information About Other Gasoline-Related Investments

The Fund may also purchase Other Gasoline-Related Investments such as cash-settled options on Futures Contracts, forward contracts for gasoline, and OTC transactions that are based on the price of gasoline, natural gas, oil and other petroleum-based fuels, Futures Contracts and indices based on the foregoing. Option contracts offer investors and hedgers another vehicle for managing exposure to the unleaded gasoline market. The Fund may purchase options on unleaded gasoline Futures Contracts on the principal commodities and futures exchanges in pursuing its investment objective.

In addition to these listed options, there also exists an active OTC market in derivatives linked to gasoline. These OTC derivative transactions are privately-negotiated agreements between two (2) parties. Unlike Futures Contracts or related options, each party to an OTC contract bears the credit risk that the counterparty may not be able to perform its obligations.

Some OTC contracts contain fairly generic terms and conditions and are available from a wide range of participants, while other OTC contracts have highly customized terms and conditions and are not as widely available. Many OTC contracts are cash-settled forwards for the future delivery of unleaded gasoline or petroleum-based fuels that have terms similar to the Futures Contracts. Others take the form of “swaps” in which the two parties exchange cash flows based on pre-determined formulas tied to the price of gasoline as determined by the spot, forward or futures markets. The Fund may enter into OTC derivative contracts whose value will be tied to changes in the difference between the gasoline spot price, the price of Futures Contracts traded on NYMEX and the prices of non-NYMEX Futures Contracts that may be invested in by the Fund.

Impact of Speculative Position Limits

The CFTC and U.S. futures exchanges such as the NYMEX have established limits or position accountability rules (i.e., speculative position limits or position limits) on the maximum net long or net short speculative position that any person or group of persons under common trading control (other than a hedger) may hold, own or control in commodity interests. Speculative position limits are intended, among other things, to prevent a corner or squeeze on a market or undue influence on prices by any single trader or group of traders. Speculative position limits will impact the mix of investments by the Fund with such mix varying depending on the accumulation of assets. Once the speculative position limits for the current Benchmark Gasoline Futures Contract are reached, the Fund will be required to invest in Other Gasoline-Related Interests.

Investment Risks

ETP Holders are referred to the Fund’s prospectus and registration statement for a description of risks associated with an investment in the Units of the Fund. Because the Units are created to reflect the performance in percentage terms of the price of unleaded gasoline delivered at New York harbor as measured by the RBOB Futures Contract traded on the NYMEX, these risks include the risk that the market price of the Units will be subject to fluctuations similar to those affecting the current Benchmark Gasoline Futures Contract. Owners of the Units will not have the protections normally associated with ownership of shares in an investment company registered under the Investment Company Act of 1940 but will have the protections afforded by the Commodity Exchange Act to investors in CFTC-regulated commodity pools. If certain events occur, at any time, the General Partner will be required to terminate the Fund, otherwise the Fund will continue in perpetuity. In addition, as noted in the prospectus, Units trade at market prices that may differ from NAV. The NAV of the Units will fluctuate with changes in the market value of the Fund’s assets. The trading prices of the Units will fluctuate in accordance with changes in the NAV as well as market supply and demand.

There is no direct regulation of the market in physical unleaded gasoline-based commodities and no Securities and Exchange Commission (“Commission”) jurisdiction over the trading of gasoline, natural gas, oil and other petroleum-based fuels as a physical commodity. The CFTC has regulatory jurisdiction over the trading of gasoline based futures contracts and related options and

that trading in certain OTC commodity based derivatives is not within the jurisdiction of the CFTC and may therefore be effectively unregulated.

Exchange Rules Applicable to Trading in the Units

The Units are considered equity securities, thus rendering trading in the Units subject to the Exchange's existing rules governing the trading of equity securities.

Market Maker Accounts

Pursuant to NYSE Arca Equities Rule 8.300, the Units will be treated as Partnership Units (as defined in, NYSE Arca Equities Rule 8.300).

NYSE Arca Equities Rule 8.300(e), sets forth certain restrictions on ETP Holders acting as registered Market Makers in Units to facilitate surveillance. NYSE Arca Equities Rule 8.300(e)(2)-(3) will require that the ETP Holder acting as a registered Market Maker in the Units provide the Exchange with necessary information relating to its trading in the underlying asset or commodity, related futures or options on futures, or any other related derivatives. NYSE Arca Equities Rule 8.300(e)(4) will prohibit the ETP Holder acting as a registered Market Maker in the Units from using any material nonpublic information received from any person associated with an ETP Holder or employee of such person regarding trading by such person or employee in the underlying asset or commodity, related futures or options on futures or any other related derivative (including the Units). In addition, NYSE Arca Equities Rule 8.300(e)(1) will prohibit the ETP Holder acting as a registered Market Maker in the Units from being affiliated with a market maker in the underlying asset or commodity, related futures or options on futures or any other related derivative unless adequate information barriers are in place, as provided in NYSE Arca Equities Rule 7.26.

Trading Hours

The Indicative Partnership Value of the Units is disseminated to data vendors every 15 seconds during the Exchanges Core Trading Session. The Units will trade on NYSE Arca in the Opening, Core and Late Trading Sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a).

Extended Hours Trading Risk

ETP Holders and Sponsored Participants are reminded that trading in the Fund shares during the Exchanges Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying partnership value may not be updated during the opening and late sessions, (2) the Indicative Partnership Value may not be updated during the opening and late trading sessions, (3) the natural gas futures contracts prices generally will not be available in the opening and late trading sessions, (4) lower liquidity in the opening session or late session may impact pricing, (5) higher volatility in the opening or late trading session may impact pricing, (6) wider spreads may occur in the opening and late trading sessions, and (7), since the Indicative

Partnership Value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable calculate an implied value for the Units in those sessions may be at a disadvantage to market professionals.

Suitability

ETP Holders are reminded of their obligations under NYSE Arca Equities Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. ETP Holders should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

The Exchange will halt trading in the Units if (a) the primary market stops trading the Shares because of a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12 and/or (b) the primary market delists the Shares. Further, the Exchange will halt trading in the Shares in accordance with NYSE Arca Equities Rule 7.12 ("Trading Halts Due to Extraordinary Market Volatility) and NYSE Arca Rule 7.34(a)(4) ("Trading Halts for UTP Trading of Derivative Securities Products").

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Units must receive a prospectus prior to, or concurrently with, the confirmation of a transaction. Investors purchasing Units directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Marketing Agent at www.alpsinc.com or on the Fund's website at <http://unitedstatesgasolinefund.com>. The prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information about the Fund, please refer to the registration statement.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Commission's Division of Market Regulation issued a letter dated June 21, 2006 ("No-Action Letter") granting exemptive or no-action relief from certain rules under the Securities Exchange Act of 1934 (the "1934 Act") to the Fund.

Regulation M Exemptions

Under the No-Action Letter, the Fund is exempted under paragraph (d) of Rule 101, permitting persons who may be deemed to be participating in a distribution of the Units to bid for or

purchase Units during their participation in such distribution. The No-Action Letter also exempted the Fund under paragraph (e) of Rule 102, permitting the Fund and its affiliated purchasers to redeem Units in Baskets during the continuous offering of the Units.

The exemptions from Rules 101 and 102 of Regulation M are subject to the condition that such transactions in Units or any related securities are not made for the purpose of creating actual, or apparent, active trading in or raising or otherwise affecting the price of such securities. ETP Holders are referred to the full text of the No-Action Letter for additional information.

This Information Bulletin is not a statutory Prospectus. ETP Holders should consult the Trust's Registration Statement, the Prospectus and the Fund's website for relevant information.

Inquiries regarding this Information Bulletin should be directed to Timothy J. Malinowski, Director, ETF's and Indexes, at (312) 442-7886.



**REGULATORY
INFORMATION
BULLETIN**

RBE-08-01

February 28, 2008

TO: ETP Holders
SUBJECT: Reg SHO exemption for locates for market makers

This is a reminder to NYSE Arca Equity Trading Permit (“ETP”) Holders regarding the applicability of the market maker exceptions from the uniform locate requirement contained in Regulation SHO.¹ As you are aware, Regulation SHO Rule 203(b)(2)(iii) provides market makers with a limited exception from the uniform “locate” requirement for short sale executions, but only in connection with bona-fide market making activities.² The Securities and Exchange Commission (“SEC”) also has previously stated that “a bona fide market maker is a broker-dealer that deals on a regular basis with other broker-dealers, actively buying and selling the subject security as well as regularly and continuously placing quotations in a quotation medium on both the bid and ask side of the market.”³

According to the SEC, the determination of whether activity qualifies for the bona-fide market making exception will be decided on a case by case basis, depending on the particular facts and circumstances surrounding the activity.⁴ Furthermore, the SEC explicitly stated that certain types of activity will not qualify as bona-fide market making activity. Specifically, SEC Release No. 34-50103 states that:

Bona-fide market making does not include activity that is related to speculative selling strategies or investment purposes of the broker-dealer and is

¹ See Securities Exchange Act of 1934 (“Exchange Act”) Release No. 50103 (July 28, 2004) 69 FR 48008 (August 6, 2004) (Regulation SHO Adopting Release). Additional information regarding Regulation SHO can be found on the Securities and Exchange Commission’s website at <http://www.sec.gov/divisions/marketreg/mrfaqregsho1204.htm>.

² Regulation SHO uses the definition of market maker as set forth in Section 3(a)(38) of the Exchange Act.

³ See Exchange Act Release No. 32632 (July 14, 1993), 58 FR 39072, 39074 (July 21, 1993).

⁴ We note that while the SEC has not specifically required a market maker to be registered as such to qualify for the locate exception, the bona-fide market making exception was created to recognize those short sale transactions engaged in to maintain continuous, two-sided liquid markets.

disproportionate to the usual market making patterns or practices of the broker-dealer in that security. In addition, where a market maker posts continually at or near the best offer, but does not also post at or near the best bid, the market maker's activities would not generally qualify as bona-fide market making for purposes of the exception. Further, bona-fide market making does not include transactions whereby a market maker enters into an arrangement with another broker-dealer or customer in an attempt to use the market maker's exception for the purpose of avoiding compliance with Rule 203(b)(1) by the other broker-dealer or customer [for example, bona-fide market making does not include establishing short positions at the direction of a customer unable to locate stock].

The Exchange reminds ETP Holders that those member firms that rely upon the bona-fide market making exception must document their short sale transactions to provide evidence that supports an exception from Regulation SHO. The Exchange views documentation in the form of trade blotters, quote records, position records, clearing reports, haircut reports, and daily updated position-tracking spreadsheets as effective means by which to establish the existence of bona-fide market making activity. Regulation SHO also requires firms to track their positions in threshold securities (as well as review exchanges' current threshold lists), and document locates and buy-in notifications.

Inquiries regarding this Information Bulletin should be directed to Edward Cody, Director, Trade Examinations, at (312) 442-7653.