

OPTIONS EXCHANGE		STOCK EXCHANGE	
Regulatory Information Circular			
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Subject: Temporary Restrictions on Short Sales

The SEC's Order imposing temporary restrictions on short sales (<http://www.sec.gov/rules/other/2008/34-58166.pdf>) will be effective on Monday, July 21, 2008. This order states that persons effecting a short sale in the securities listed below must:

- Borrow or arrange to borrow the security or otherwise have the security available to borrow in its inventory prior to effecting such short sale and
- Deliver the security on settlement date.

The SEC amended the initial order (<http://www.sec.gov/rules/other/2008/34-58190.pdf>) to, among other things, provide an exception for options market maker hedging activities related directly to bona fide market making from the pre-borrow aspect of the rule.

Securities Covered by the Order

BNP Paribas (BNPQF or BNPQY)
 Bank of America Corporation (BAC)
 Barclays PLC (BCS)
 Citigroup Inc. (C)
 Credit Suisse Group (CS)
 Daiwa Securities Group Inc. (DSECY)
 Deutsche Bank Group AG (DB)
 Allianz SE (AZ)
 Goldman, Sachs Group Inc. (GS)
 Royal Bank ADS (RBS)
 HSBC Holdings PLC ADS (HBC)
 J. P. Morgan Chase & Co. (JPM)
 Lehman Brothers Holdings Inc. (LEH)
 Merrill Lynch & Co., Inc. (MER)
 Mizuho Financial Group, Inc. (MFG)

Morgan Stanley (MS)
 UBS AG (UBS)
 Freddie Mac (FRE)
 Fannie Mae (FNM)