



Information Circular: SPARQS

To: Head Traders, Technical Contacts, Compliance Officers, Head of ETF Trading, Structured Products Traders

From: William Slattery, Director, NASDAQ Listing Qualifications Department

DATE: March 29, 2007

The NASDAQ Stock Market LLC ("NASDAQ") began operating as a national securities exchange for trading non-NASDAQ listed securities on February 12, 2007. As a result, certain Stock Participation Accreting Redemption Quarterly-pay Securities ("SPARQS") listed on the American Stock Exchange, which previously traded through our systems on an over-the-counter basis, are now being traded by NASDAQ as an exchange on an unlisted trading privileges (UTP) basis. See Appendix A for a listing of SPARQS that commenced trading on NASDAQ on a UTP basis on February 12, 2007.

Appendix A contains links to information circulars regarding the SPARQS prepared by their listing market, the American Stock Exchange. NASDAQ members should consult these information circulars, which contain important information about the characteristics of the SPARQS and the principal risks of an investment in the SPARQS.

Trading in the SPARQS on NASDAQ is subject to [NASDAQ equity trading rules](#). The SPARQS will trade from 7:00 a.m. until 8:00 p.m. SEC Rule 10a-1 (the SEC short sale rule) applies to trading in the SPARQS.

Trading of SPARQS on NASDAQ is subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in SPARQS to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules.

Members also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Information Circular is not a statutory prospectus. NASDAQ members should consult the registration statement or prospectus for the SPARQS for additional information.

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Director, NASDAQ Listing Qualifications, at 301.978.8088
- NASDAQ Office of General Counsel at 301.978.8400
- NASDAQ Market Sales at 800.846.0477

Appendix A – SPARQS

Equity-Linked Notes	Symbol	CUSIP Number
10% SPARQS Linked to Apple Computer, Inc., due December 20, 2007	APE	61748A247
8% SPARQS Linked to Dell Inc., due November 20, 2007	DSA	61747S579
9% SPARQS Linked to Yahoo! Inc., due December 20, 2007	MYH	61748A320
9.50% SPARQS Linked to Sunoco Inc., due April 20, 2007	SSK	61747Y329
11% SPARQS Linked to Tellabs Incorporated, due October 20, 2007	TSX	61747S637
8% SPARQS Linked to Starbucks Corporation, due October 20, 2007	SBA	61747S611
8.5% SPARQS Linked to Devon Energy Corporation, due May 20, 2007	DEV	61747Y188
7.5% SPARQS Linked to National Semiconductor Corp., due March 20, 2007	NSD	61747Y410
Equity-Linked Notes	Symbol	CUSIP Number
9% SPARQS Linked to Valero Energy Corp., due June 20, 2007	SVE	61747Y113
8% SPARQS Linked to Genentech, Inc., due August 20, 2007	DGK	61747S868
10% SPARQS Linked to Circuit City Stores, Inc., due January 20, 2008	CKK	61750V204
7.5% SPARQS Linked to Coach Inc., due January 20, 2008	CFM	61750V303
9% SPARQS Linked	ITL	61747S827

to Intel Corporation,
due September 20, 2007

[8.5% SPARQS](#) Linked
to Whole Foods
Market, Inc., due
September 20, 2007

MWL

61747S835