



## Information Circular: MITTS

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

**From:** William Slattery, Director, NASDAQ Listing Qualifications Department

**DATE:** February 27, 2007 (**Updated March 29, 2007**)

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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, Merrill Lynch & Co., Inc. Market Index Target-Term Securities (“MITTS”) that have previously traded through our systems on an over-the-counter basis are being traded by NASDAQ as an exchange on an unlisted trading privileges (UTP) basis for the first time. See Appendix A for a listing of select MITTS that commenced trading on NASDAQ on a UTP basis on February 12, 2007.

Appendix A contains links to information circulars regarding the MITTS 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 MITTS and the principal risks of an investment in the MITTS.

Trading in the MITTS on NASDAQ is subject to [NASDAQ equity trading rules](#). The MITTS 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 MITTS.

Trading of MITTS on NASDAQ is subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in MITTS 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 MITTS for additional information.**

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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 – MITTS

### Index-Linked Notes    Symbol    CUSIP Number

Nikkei 225 Market                    NML    59021J307  
<http://www.amex.com/amextrader/dailylist/data/relFiles/nml.pdf>  
Index Target-Term, due  
June 27, 2007

Nikkei 225 Market                    MLJ    590188280  
[www.amex.com/amextrader/dailylist/data/relFiles/mljic.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/mljic.pdf)  
Index Target-Term, due  
March 30, 2007

Nikkei 225 Market                    MNK    59021J679  
[www.amex.com/amextrader/dailylist/data/relFiles/mnk.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/mnk.pdf)  
Index Target-Term, due  
March 30, 2009

Russell 2000 Market                  RRM    59021J695  
[www.amex.com/amextrader/dailylist/data/relFiles/rrm.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/rrm.pdf)  
Index Target-Term, due  
March 30, 2009

S&P 500 Market Index                IFK    45950K209  
<http://www.amex.com/amextrader/dailylist/data/relFiles/IFK.pdf>  
Target-Term Securities,  
due December 8, 2010

MITTS Linked to the                  MNL    59022C806  
[http://www.amex.com/amextrader/dailylist/data/relFiles/icMNL\\_092906.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/icMNL_092906.pdf)  
Nikkei-225 Stock Average,  
due April 5, 2010

Callable MITTS based upon    BHM    590188256  
<http://www.amex.com/amextrader/dailylist/data/relFiles/bhm.pdf>  
the Biotech HOLDERS,  
due August 3, 2007

Callable MITTS based upon    BDM    590188249  
<http://www.amex.com/amextrader/dailylist/data/relFiles/bdm.pdf>  
the Broadband HOLDERS,  
due September 13, 2007

### Index-Linked Notes    Symbol    CUSIP Number

DJIA Market Index                    MKO    59021J489  
<http://www.amex.com/amextrader/dailylist/data/relFiles/mko.pdf>  
Target-Term Securities,  
due August 7, 2009

Callable MITTS based upon    IHM    590188298  
<http://www.amex.com/amextrader/dailylist/data/relFiles/ihm.pdf>

the Internet HOLDERS,  
due March 5, 2007

Callable Nasdaq-100 MNM 590188264  
<http://www.amex.com/amextrader/dailylist/data/relFiles/mnm.pdf>  
Market Index Target-Term  
Securities (MITTS), due  
August 3, 2007

S&P 500 Market Index MKP 59021J471  
<http://www.amex.com/amextrader/dailylist/data/relFiles/mkp.pdf>  
Target Term Securities,  
Due September 4, 2009

S&P 500 Market Index MLW 59021J513  
<http://www.amex.com/amextrader/dailylist/data/relFiles/mlw.pdf>  
Target-Term Securities,  
due June 29, 2009

Callable MITTS based SME 59021J109  
<http://www.amex.com/amextrader/dailylist/data/relFiles/sme.pdf>  
upon Semiconductor  
HOLDERS, due  
October 5, 2007

Dow Jones EURO MLB 59022C590  
[http://www.amex.com/amextrader/dailylist/data/relFiles/icMLB\\_122206.pdf](http://www.amex.com/amextrader/dailylist/data/relFiles/icMLB_122206.pdf)  
STOXX 50 Index  
Market Target-Term  
Securities, due  
June 28, 2010