



## REGULATORY CIRCULAR (06-02)

To: All Floor Members  
From: Bruce Goodhue, Director Market Surveillance and Examinations  
Date: September 7, 2006  
Re: Amendment to Exchange Rules – NASDAQ Securities Short Sale Bid Test

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Effective at the opening of trading on Sept. 7, 2006 the Boston Stock Exchange **will not** have a short sale price test in NASDAQ listed securities. When the NASDAQ Stock Market became an exchange and NASDAQ Global Market Securities and NASDAQ Capital Market Securities became subject to SEC's Rule 10a-1 short sale rule or "tick test" the BSE relied on the exemptive relief granted to another exchange to not apply the tick test rule to NASDAQ listed securities on the Boston Stock Exchange. Additionally the Exchange has filed with the Commission, for immediate effectiveness, an amendment to the BSE Rules Chapter XXXV, Section 26, to eliminate the short sale "bid test" in NASDAQ securities. Therefore until further notice there will be **no short sale price test in NASDAQ securities** traded on the Boston Stock Exchange.

Please note all other securities listed on an exchange other than the NASDAQ Stock Market will still be subject to SEC Rule 10a-1 short sale rule or "tick test".

If there are any questions do not hesitate to call me at (617) 235-2022.