

EXHIBIT E
Internal NASD Memoranda

All Defendants Version

(Partially Redacted)

DRAFT CALL SCRIPT
12/20/06, 2:30 PM

1. INTRODUCTION:

I'm calling from NASD. You've likely heard about the plan to consolidate NASD and

[earlier this week/appropriate time].

I know this is a very busy time. I am calling to be sure you have the proxy and to be sure you have the accurate information you need to make a decision. This is a good thing for the industry and for your firm. The plan includes economic benefits for all firms and preserves industry participation in the regulatory process.

The consolidation plan is a real opportunity to make sure that firms have a seat at the table and to preserve the future of self-regulation while at the same time reducing regulatory costs and reducing burdens for all firms.

First, did you receive the proxy information?

2. IF YES, PROCEED TO SECTION 3.

2A. IF NO, THEY DID NOT RECEIVE THE PROXY:

Please call the proxy firm managing the member vote at (877) 381-4017. They will mail you a new package.

each year for five years, subject to annual Board approval. This effectively means that all firms will save \$1200 per year and almost 2,500 small firms would pay no Gross Income Assessment for the next five years. This payment and the reduction of the Gross Income Assessment recognize the values and cost efficiencies expected from the creation of a single regulator.

- The plan preserves member participation in the regulatory process. Each firm still has **one firm, one vote for:**
 - By-Law changes
 - District committee elections and
 - Board elections in their firm category.
- **NASD worked diligently to guarantee the industry's voice within the structure of the new SRO.** The trend has been to remove industry participation. NYSE does not have industry participation on its board, and the SEC is very comfortable with that. We took the opportunity to shape our future and to lock-in industry participation moving forward.

I hope this information is helpful. Is there any other information you need? Can we count on your support?

5. REMINDER ON HOW TO VOTE:

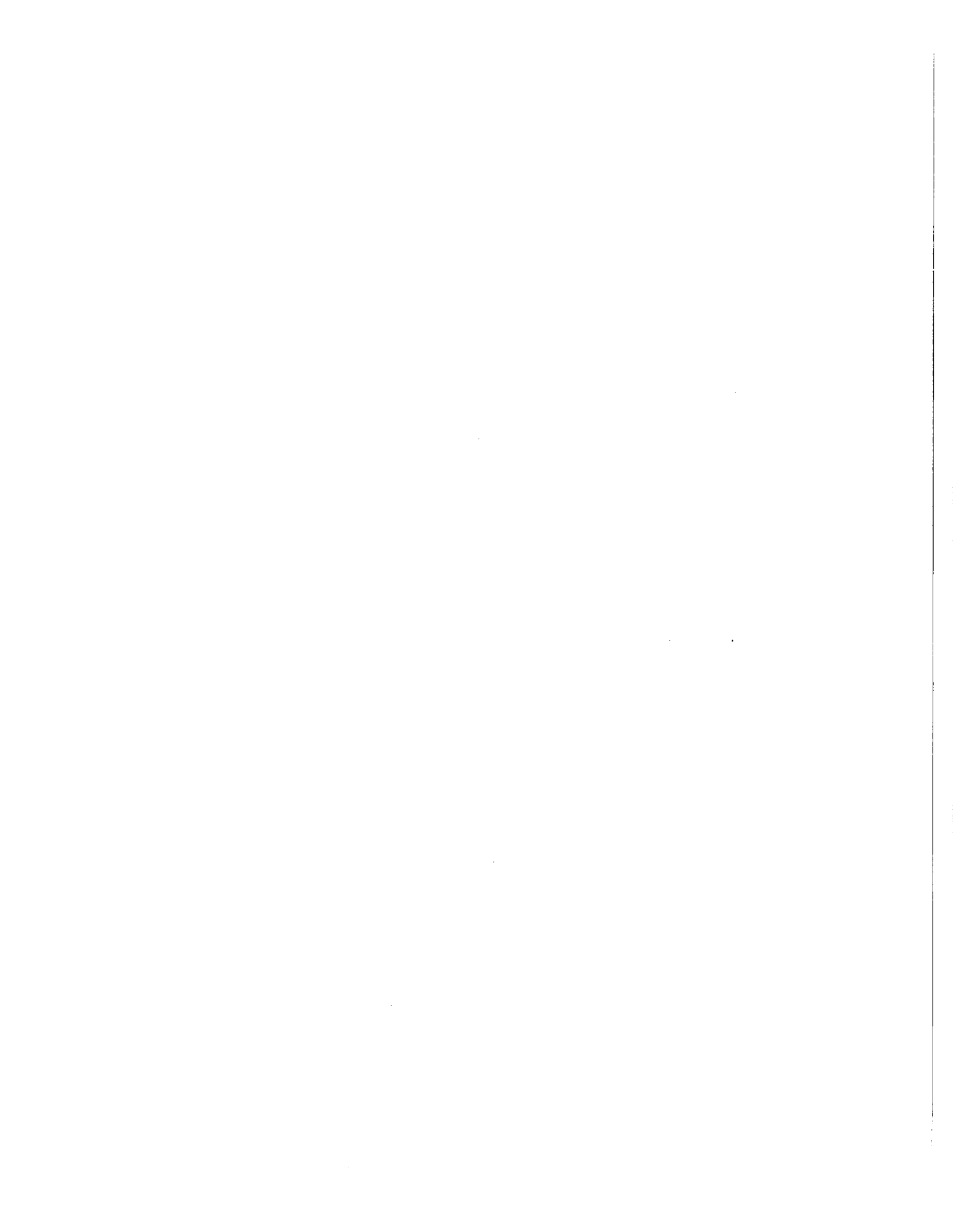
I want to be sure you know how you can vote:

- **Telephone** – Call toll free (877) 381-4017
- **Internet** – Visit <http://proxy.georgeson.com>
- **Mail** – Mark, sign and date your proxy card (mailed to you with the proxy statement) and return it promptly in the postage pre-paid enclosed envelope; your proxy must be received on or before midnight, Eastern Time, on Thursday, January 18, 2007
- **In Person** – Attend the special meeting of members on Friday, January 19, 2007, at 10:00 a.m., Eastern Time at the NASD Visitors Center at 1735 K Street NW, Washington, D.C. 20006

6. CONCLUSION:

Thanks so much for your time. I know this is a busy time, and I greatly appreciate you o
the important effort for our industry and for your firm.

If you have any questions, you can call me at xxxx.



PPA Member Firm Voting Analysis

As of November 1, 2006

This document sets forth proposed voter groups. Firms have been classified as advocates, presumed advocates, middles, presumed dissidents and dissidents based on their likely reaction to the PPA campaign issues.

Total NASD Member Firms (as of 10/16/06) = 5089

Defined Voter Groups	Advocates	Presumed Advocates	Middles	Presumed Dissident	Dissident
Dual Registered Firms	162	4			
Affiliate Firms of Dual Registered Firms	165				
Large, NASD-only Firms		65			
Affiliates of Large, NASD-only Firms		80			
NASD "Friendly" Firms		49	3		288
Petitioners		672			
Low Revenue Firms (< \$75,000)			204		
New Firms (since 1/1/06)			458		
Non-Voting Firms (not included elsewhere)				410	
Signers of district alternate candidates			2529		
Everyone else				410	288
Total	327	870	3194	410	288
Percent	6%	17%	63%	8%	6%

Note: each firm is counted only once. Hierarchy based on "Voter Groups" column.

* Signed original petition

Advocates, Dual Registered Firms & Affiliates

- 166 NASD-NYSE dual registered member firms; 4 of whom are also petitioning firms

NASD-NYSE Dual Members

Size	Nov 2006 Voter	Repeal 2006 Voter	Pass Vote	Non-Voter	New Firm	Total
1. Very Small	4	17	3	2		26
2. Small	5	42	18	10	1	76
3. Medium	1	24	9	1		35
4. Large	1	22	4	2		29
Total	11	105	34	15	1	166

- 165 NASD-only firms that are affiliated with a dual registered firm

Affiliates of NASD-NYSE Dual Members

Size	New 2006 Voter	Repeat 2006 Voter	Past Voter	Non-Voter	New Firm	Total
1. Very Small	4	9	9	4	1	26
2. Small	7	48	11	8		75
3. Medium	2	26	15	2		45
4. Large	1	16	2			19
Total	14	99	37	14	1	165

Presumed Advocates - Large NASD-only Firms & Affiliates

- 145 NASD-only large firms and affiliates

Breakout of NASD-only Large Firms

Voter Bucket	Firms
1. New 2006 Voter	4
2. Repeat 2006 Voter	47
3. Past Voter	13
4. Non-Voter	1
Total	65

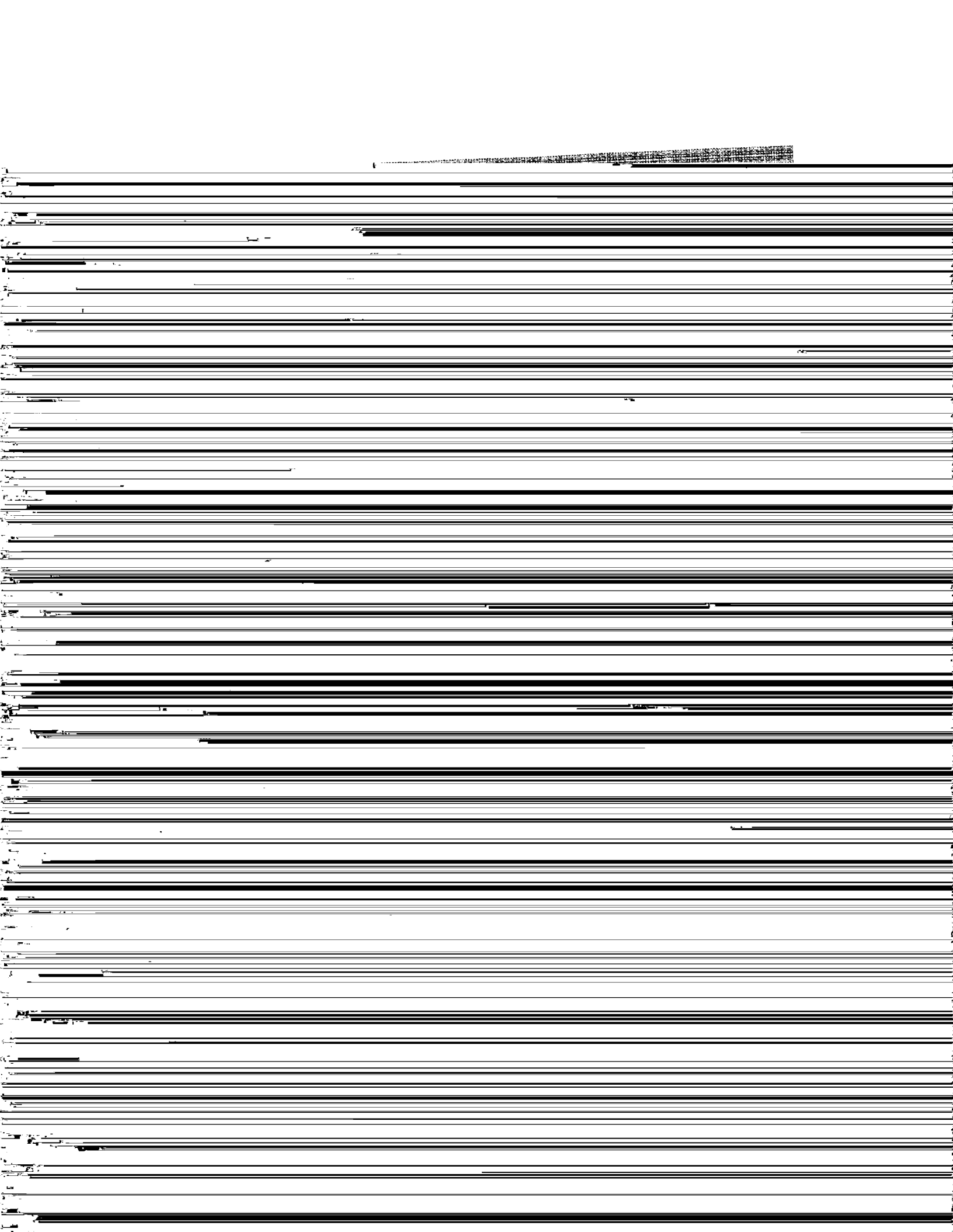
Affiliates of NASD-only Large Firms

Size	New 2006 Voter	Repeat 2006 Voter	Past Voter	Non-Voter	New Firm	Total
1. Very Small		5	3	2		10
2. Small	3	19	11	3	1	37
3. Medium	2	22	7	2		33
Total	5	46	21	7	1	80

Presumed Advocates - Low Revenue Firms

- 713 firms with less than \$75,000 in 2005 gross focus revenue
- 101 zero-revenue firms
- 672 low revenue firms excluding advocates and dissidents

Low revenue Firms excluding firms in other buckets



Middles - Everyone else

- 2,529 firms not included elsewhere in analysis

Other NASD Member Firms

Size	New 2006 Voter	Repeat 2006 Voter	Past Voter	Total
1. Very Small	162	822	331	1315
2. Small	107	654	294	1055
3. Medium	12	112	35	159
Total	281	1588	660	2529

Region	Total NASD Members	Members in "Other" Bucket
International	78	2%
MW	875	17%
NE	2155	42%
SE	705	14%
SW	367	7%
W	909	18%
Total	5089	100%

Presumed Dissidents - District Election Petitioners

- 725 firms submitted petitions for the district elections

Voting History of Firms that Submitted Petitions for District Elections

Size	New 2006 Voter	Repeat 2006 Voter	Past Voter	Non-Voter	New Firm	Total
1. Very Small	59	283	38	34	9	423
2. Small	27	211	23	12	3	276
3. Medium	2	21	3			26
Total	88	515	64	46	12	725

- 410 firms submitted petitions for the district elections and are not represented elsewhere in the analysis

District Election Petitioning Firms

Bucket	Signed District Petition
Total District Election Petitioners	725
NYSE Dual	(16)
NYSE Affiliate	(5)
Affiliate of NASD-only Lg.	(2)
NASD Friendly	(2)
Low Revenue	(79)
Petitioning Firms	(165)
Non-Voter	(34)
New Firms	(12)
<i>Other District Election Firms</i>	410

Dissidents - Original Petitioners

All Petitioning Firms

Size	New 2006 Voter	Repeat 2006 Voter	Past Voter	Non-Voter	New Firm	Total
1. Very Small	22	124	10	1		157
2. Small	18	103	5	3		129
3. Medium		12				12
Total	40	239	15	4	0	298

**Petitioning Firms excluding:
NYSE Dual (4), NYSE Affiliates (1), Affiliates of Large Firms (2) & NASD Friendly Firms (3)**

Size	New 2006 Voter	Repeat 2006 Voter	Past Voter	Non-Voter	New Firm	Total
1. Very Small	22	124	10	1		157
2. Small	18	98	4	3		123
3. Medium		8				8
Total	40	230	14	4	0	288



