



Information Circular: ELKS

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 Equity Linked Securities ("ELKS") 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 select ELKS that commenced trading on NASDAQ on a UTP basis on February 12, 2007.

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

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

Trading of ELKS on NASDAQ is subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in ELKS 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 ELKS 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 – ELKS

Equity-Linked Notes	Symbol	CUSIP Number
<u>12% ELKS Linked to Nucor Corporation, due October 5, 2007</u>	EKN	17308C29
<u>8.40% ELKS Based Upon the Texas Instruments Inc., due March 14, 2007</u>	EET	17308C668
<u>12.5% ELKS Linked to Apple Computer Inc., due July 11, 2007</u>	EYA	17308C39
<u>9.5% ELKS Linked to Archer-Daniels-Midland Co., due December 6, 2007</u>	EAM	17308C221
<u>10% ELKS Linked to Best Buy Co., Inc., due January 8, 2008</u>	EBC	17308C189
<u>11.25% ELKS Linked to Qualcomm Inc., due November 5, 2007</u>	EQL	17308C262
<u>9% ELKS Linked to the Common Stock of Caterpillar Inc., due August 10, 2007</u>	EKC	17308C36
<u>11% ELKS Linked to Halliburton Company, due August 27, 2007</u>	EHC	17308C32