

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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STANDARD INVESTMENT CHARTERED, INC., :
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Plaintiff, : 07 Civ. 2014 (JSR)
 :
-v- : ORDER
 :
NATIONAL ASSOCIATION OF SECURITIES :
DEALERS, INC. et al., :
 :
Defendant. x

JED S. RAKOFF, U.S.D.J.

The Court is in receipt of the attached request from Barron's to unseal correspondence in the above-captioned case. If any party opposes this request, such party must submit opposition papers by no later than October 30, 2009. If Barron's wishes to respond to any opposition, it may do so, but only through having counsel appear on its behalf and file responding papers by November 6, 2009. The Court will then consider these submissions and decide what further action is warranted.

SO ORDERED.



JED S. RAKOFF, U.S.D.J.

Dated: New York, New York
October 19, 2009

Hon. Jed S. Rakoff
U.S. District Court
Southern District of New York
October 5, 2009

Judge Rakoff,

I am the Washington, D.C. editor for Barron's, the Dow Jones investment magazine. I cover the White House, Congress, the regulators, and everything in-between. Currently, I am researching a news story about lawsuits brought by former NASD members who claim that their \$35,000-share of the proceeds of a merger between the NASD and the regulatory arm of the New York Stock Exchange was a low-ball payment possibly founded on a lie.

NASD claimed in proxy material in December, 2006 that the IRS precluded a larger payment. Yet the NASD did not receive a private letter ruling from the IRS on this payment until March, 2007. The members behind the lawsuits are skeptical that NASD was forthright about the reasons for paying out just \$35,000 each, (\$175 million according to a September 28 Wall Street Journal story) from a total pot of \$2.4 billion.

In one case (07-cv 02014) heard by the late Judge Shirley Kram, correspondence between NASD and the IRS was sealed. Judge Kram later dismissed the case; but it was remanded to you after a successful appeal. I am requesting that you unseal the letters.

There's an irony if the correspondence should reveal that NASD, now FINRA, deliberately lied to its members because then a self-regulatory body, charged with protecting the investors at large, may have engaged in fraud and violated federal securities laws by making false statements in proxy materials.

I am not a lawyer; but I do appreciate that our markets rely heavily on investor confidence. Our regulators, even members of self-regulatory bodies must adhere to the highest standards of conduct; and as a consequence also must be open to some public scrutiny.

Therefore I request access to the letters to ascertain if the very serious accusations made in these lawsuits are grounded in reality or merely the result of pique. We can't tolerate a public perception that there's one rule for the regulated and another law for the regulators.

Thank you,



Jim McTague
Barron's

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