

**RE: BLM commission rates**

From: Lamore, Peter  
To: Suh, Simona

1/25/2006 7:10:02 PM

It's no reflection on you - don't feel bad. Until I conducted the exam, I also thought that they received commissions from customers.

**From:** Suh, Simona  
**Sent:** Wed 1/25/2006 4:19 PM  
**To:** Lamore, Peter  
**Subject:** RE: BLM commission rates

Shows how much I know about the business... Thanks!

**From:** Lamore, Peter  
**Sent:** Wednesday, January 25, 2006 4:18 PM  
**To:** Suh, Simona  
**Subject:** RE: BLM commission rates

Good thought, but BLM's market-making (Non-IA business) is different. Non-IA BLM customers are not charged any commissions. The firm makes money by making a market (the spread between the bid and offer - buys at the bid and sells at the offer). In fact, in the past, they actually used to rebate money (.01/share) back to firms (e.g. A.G. Edwards) for A.G Edwards retail customer order flow.

I'm sure that I make no sense, but I will explain it to you better in person.

**From:** Suh, Simona  
**Sent:** Wed 1/25/2006 2:24 PM  
**To:** Lamore, Peter  
**Subject:** BLM commission rates

When you have time, could you check if we have information on commission rates that BLM charges other, non-IA customers? Are the rates as uniform as in the IA business - same rate for everybody? Are they lower, higher than the IA business rates? (No rush - we don't need to know this before the testimony tomorrow; my thought was that if the other customers' rates are markedly lower, we could say that the increment is a hidden advisory fee...)

*Simona K. Suh*

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