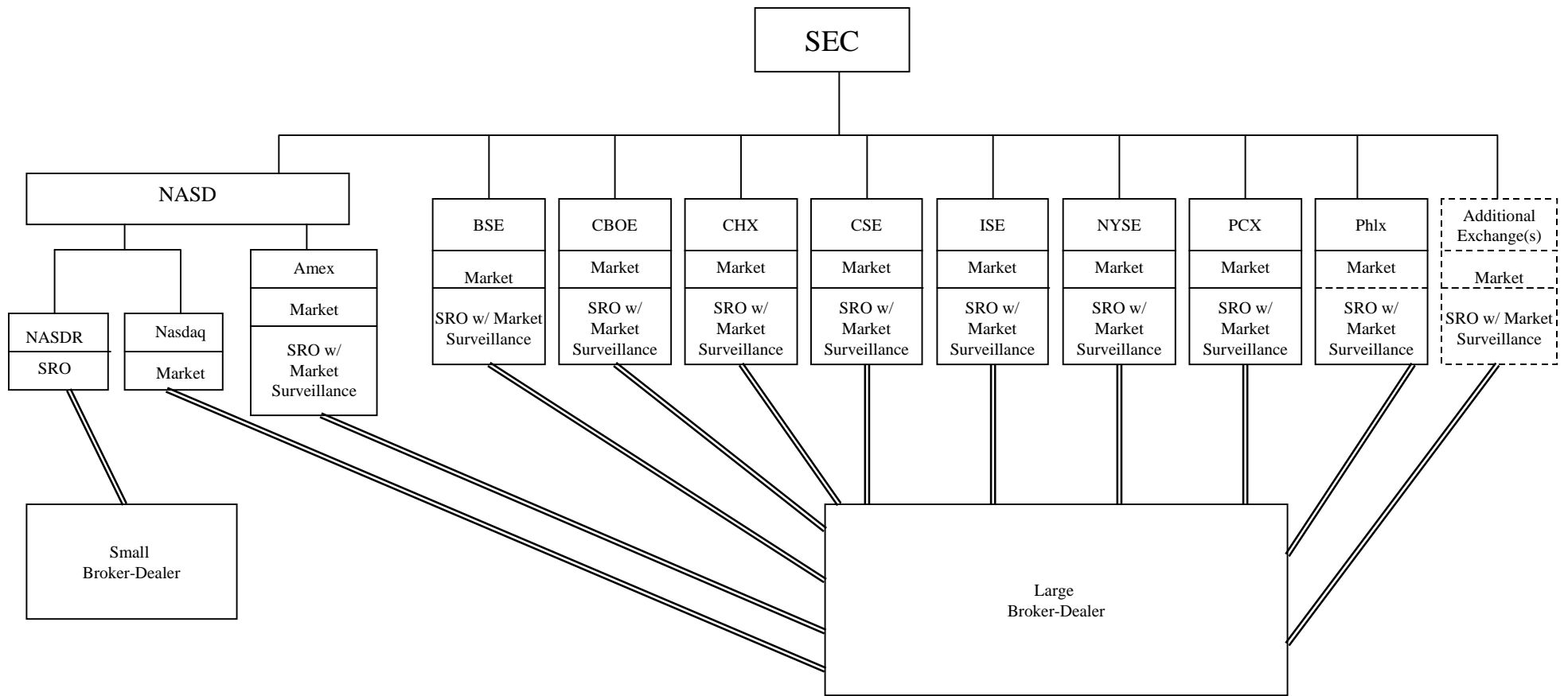
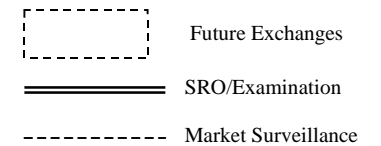


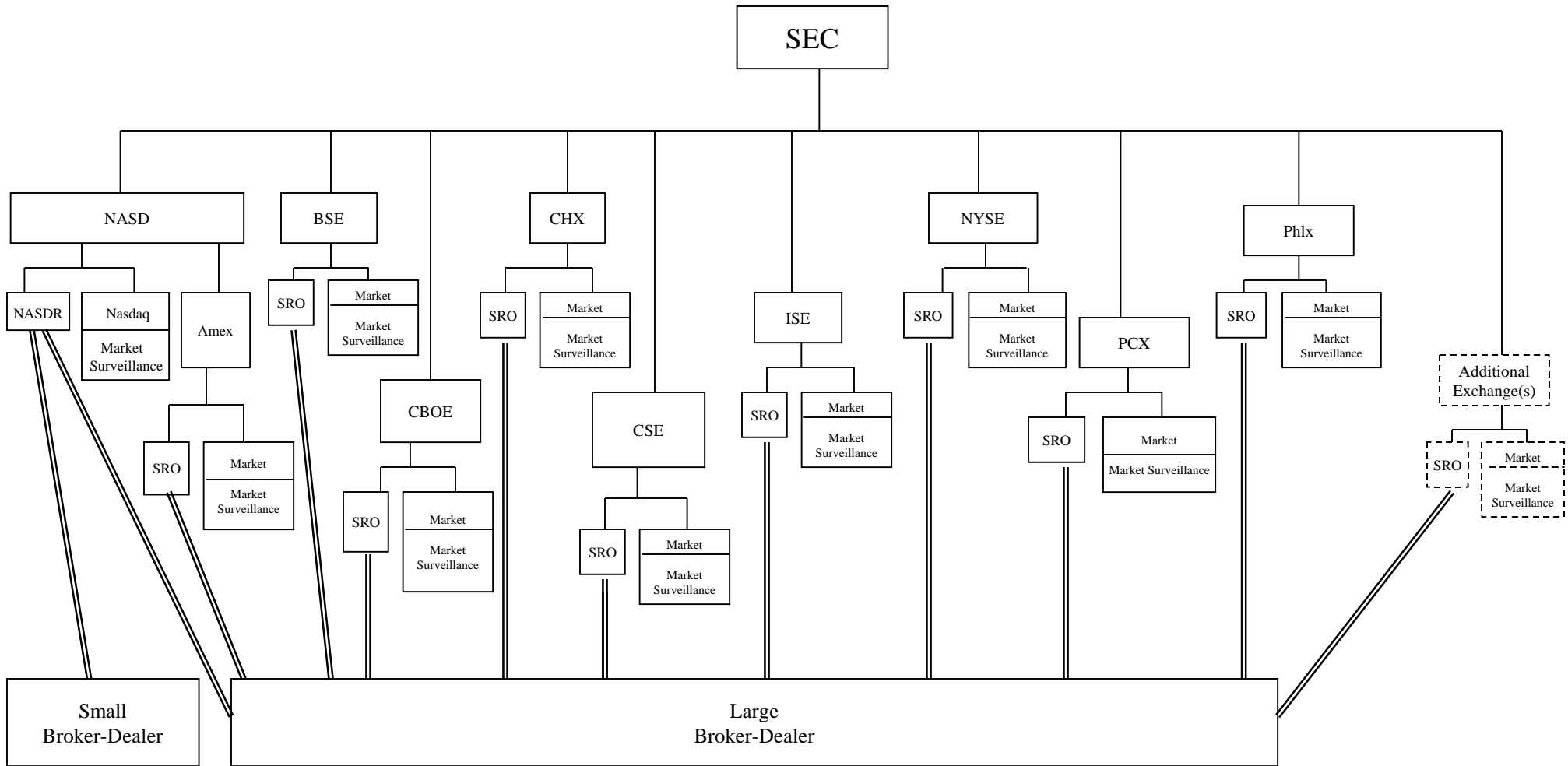
OPTION 1: Status Quo



Option 1: The regulatory structure remains the same as today.



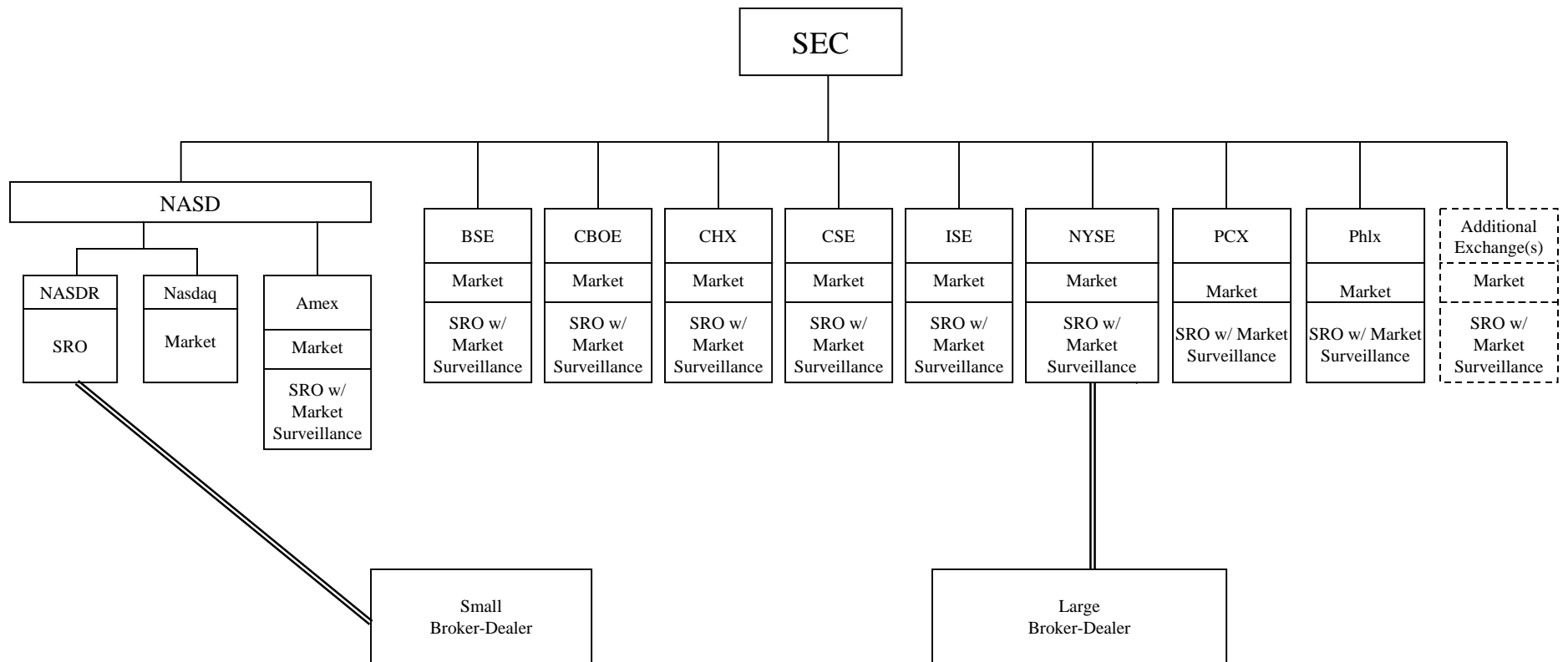
OPTION 2: NASDR Model



Option 2: The multiple SROs continue to exist and each SRO would continue to operate its market and regulate its market and members. Each demutualized SRO, however, would separate its self-regulatory functions from the market-place it regulates by creating a NASDR-like subsidiary for the SRO's examination, rulemaking and disciplinary authority.

[Dashed Box] Future Exchanges
 [Double Line] SRO/Examination
 [Dashed Line] Market Surveillance

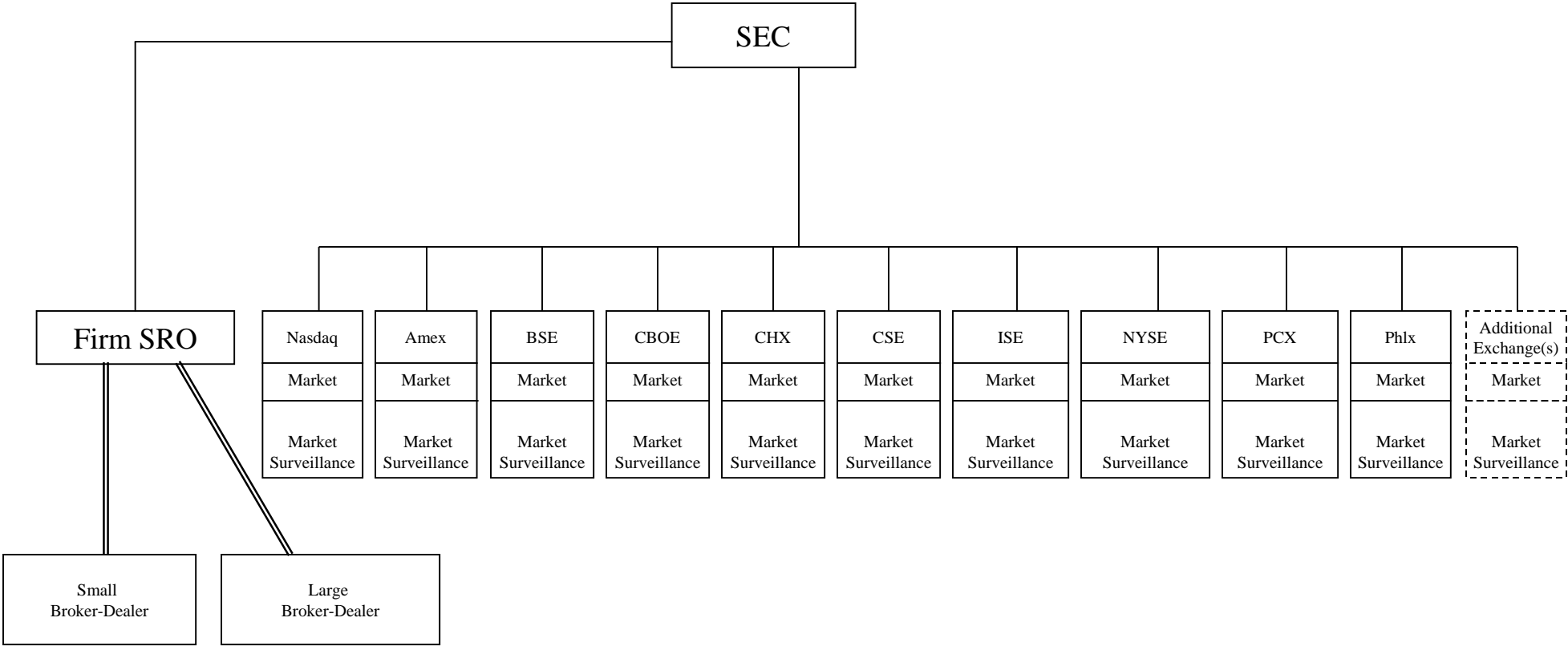
OPTION 3: DEA Model






Option 3: The multiple SROs continue to exist and each SRO would continue to operate its market and regulate its market and members. Each firm, however, would be designated to a single SRO for examination purposes.

Future Exchanges
 SRO/Examination
 Market Surveillance

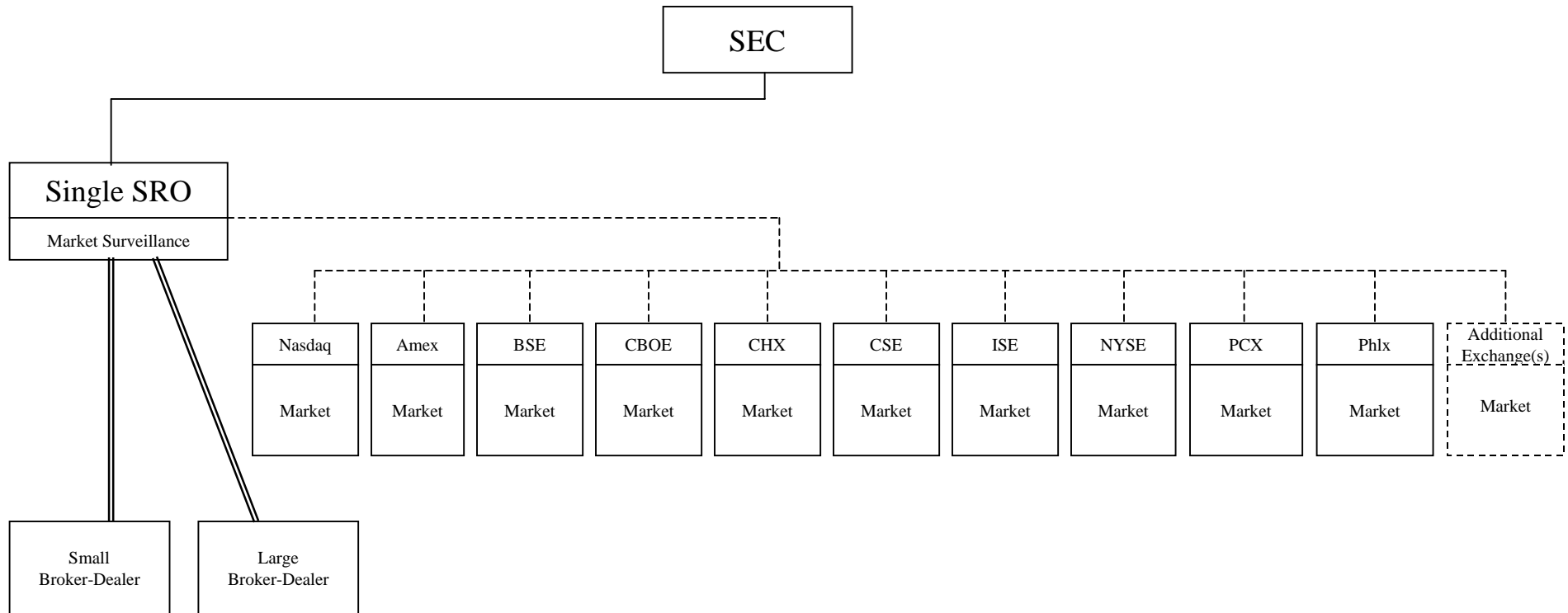
OPTION 4: Hybrid Model



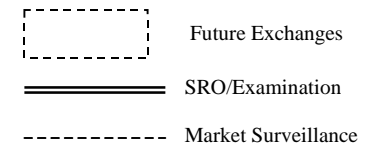
Option 4: Each market would retain its market-related self-regulatory responsibilities. A single SRO – the “Firm SRO” – would, however, assume, for all registered broker-dealers, all the non-market-related rulemaking, surveillance and enforcement functions performed currently by the exchanges and the NASD. A further sub-alternative is to limit the marketplaces only to rulemaking and/or surveillance, but require the Firm SRO to conduct all enforcement activities.

-  Future Exchanges
-  SRO/Examination
-  Market Surveillance

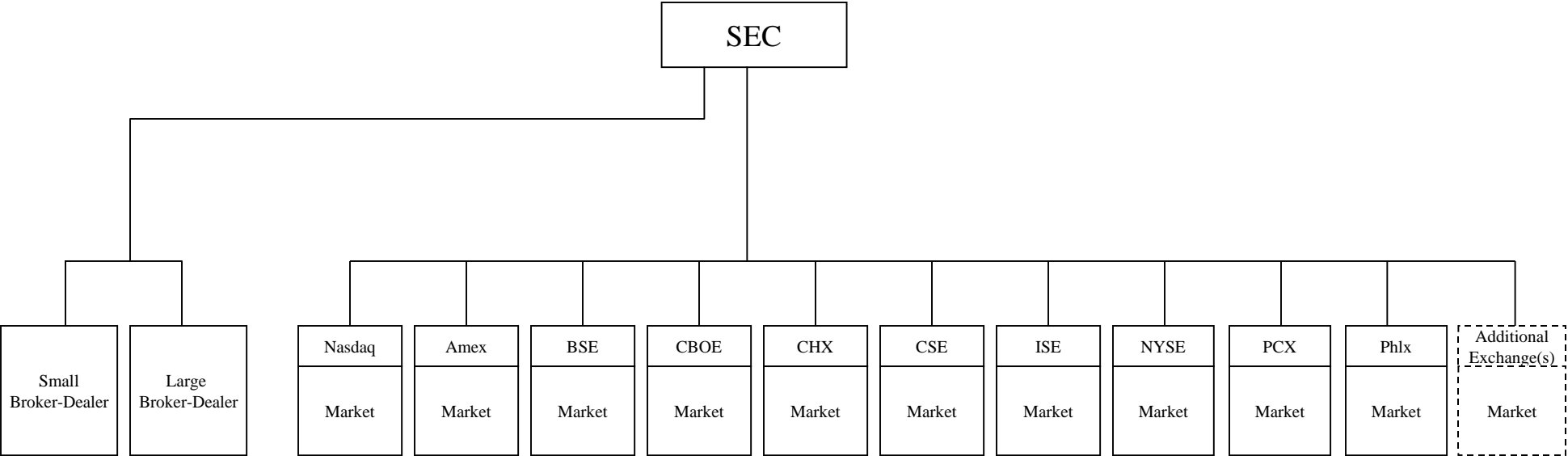
OPTION 5: Single SRO Model






Option 5: The SROs would be stripped of their self-regulatory responsibilities, thereby becoming mere marketplaces. A single SRO would be responsible for all the regulatory functions currently performed by the SROs, including both market-related and non-market-related responsibilities.



OPTION 6: SEC-Only Model



Option 6: The SROs would be stripped of their self-regulatory responsibilities, thereby becoming mere marketplaces. An enhanced SEC would be responsible for all the regulatory functions currently performed by the SROs.

-  Future Exchanges
-  SRO/Examination
-  Market Surveillance