

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2005-19 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-9303.

All submissions should refer to File Number SR-NYSE-2005-19. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 100 F Street, Washington, DC 20549. Copies of the filings will also be available for inspection and copying at the principal office of the NYSE and will be available on the Exchange's Internet Web site (<http://www.nyse.com>). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File number SR-NYSE-2005-19 and should be submitted on or before August 4, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

J. Lynn Taylor,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51985; File No. SR-NYSE-2005-21]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto Relating to the Temporary Reallocation of Securities Among Specialists

July 7, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 11, 2005, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. On June 16, 2005, the Exchange filed Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is proposing to amend NYSE Rule 103.11 regarding the temporary reallocation of securities traded on the Exchange from one specialist organization to another specialist organization. The text of the proposed rule change is set forth below. *Italics* indicate additions; [brackets] indicate deletions.

* * * * *

Rule 103. Registration of Specialists

No member shall act as a specialist on the Floor in any security unless such member is registered as a specialist in such security with the Exchange and unless the Exchange has approved of his so acting as a

emergency basis to another location on the Floor whenever in their opinion such reallocation would be in the public interest.

The member to whom a [stock] security has been temporarily reallocated under the provisions of this Rule will be registered as the regular specialist therein until the [Board of Directors] *Chief Regulatory Officer or his or her designee and two non-specialist BoE Floor Representatives* determine[s] that the security may be returned to the original specialist organization or has been reallocated pursuant to Exchange rules [the ultimate location of the security].

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II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

NYSE Rule 103.11 provides a procedure to temporarily reallocate securities listed on the NYSE from one specialist organization to another specialist organization on an expedited basis. Current NYSE Rule 103.11 requires the Chief Executive Officer and two Board of Executive ("BoE") Floor Representatives to make the decision on such reallocation by majority agreement. The participation of the BoE Floor Representatives is on a seniority basis.

The Exchange represents that recent changes to short sale regulations promulgated by the Commission in Regulation SHO⁴ may result in the need to temporarily reallocate securities from one specialist organization to another specialist organization on an expedited basis. These regulations, which are intended to address aged fails to deliver resulting from short sale transactions, may preclude the specialist organization responsible for making a market in a

particular security from effecting short sales in such security. As a result, Exchange specialist organizations would be subject to the prohibitions of Regulation SHO and could be prohibited from effecting sell-short transactions in a specialty security if it became a threshold security without first borrowing or arranging to borrow the security, which would be difficult to do in a manner consistent with the fulfillment of the specialist's Exchange-mandated market making obligations. In these circumstances, the Exchange would look to transfer the effected security to another specialist organization until such time as the first specialist organization is no longer precluded from selling short without first borrowing or arranging to borrow the security by Regulation SHO.

The Exchange believes that the temporary reallocation of a security is most likely to be required for regulatory reasons and thus is more properly the responsibility of the Chief Regulatory Officer or his or her designee. Therefore, the Exchange proposes to amend NYSE Rule 103.11 in this regard.

Under the proposed rule, the Chief Regulatory Officer may designate someone to meet his or her responsibility. The Exchange expects that the designee will be an officer in the Exchange's Regulatory Group, with the Executive Vice President of the Market Surveillance Division being the primary designee.⁵

The NYSE's BoE advises the Chief Executive Officer in his or her management of the operations of the Exchange. The BoE consists of representatives of listed companies, investors, members and member organizations. Included on the BoE are specialist and Floor broker members.⁶ These Floor member BoE representatives are also Floor Officials under NYSE Rule 46 and have certain powers and responsibilities under NYSE rules. Among these responsibilities is the power, along with the Chief Executive Officer, to temporarily reallocate securities on the Floor.

The Exchange believes that, for potential conflict of interest reasons, only non-specialist BoE Floor Representatives should be involved in a decision to reallocate a security from one specialist organization to another specialist organization. In addition, the Exchange proposes to remove as unnecessary the provision in NYSE Rule 103.11 that BoE Floor Representatives

be chosen to act on a temporary reallocation in order of seniority.

Finally, the Exchange proposes to provide as an alternative that, if there are not two non-specialist BoE Floor Representatives available to participate in the reallocation decision, the most senior non-specialist Floor Governor or Governors, based on his or her current length of service as a Floor Governor, would be authorized to act in place of the non-specialist BoE Floor Representative. The Exchange believes that senior

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2005-21 on the subject line.

Paper Comments

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-9303.

All submissions should refer to File Number SR-NYSE-2005-21. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2005-21 and should be submitted on or before August 4, 2005.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

J. Lynn Taylor,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-51990; File No. SR-PCX-2005-16]

Self-Regulatory Organizations; Pacific Exchange, Inc.; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto To Amend Its Market Data Rebate Program To Allow Equity Trading Permit Holders To Receive Rebates on an Estimated Basis

July 7, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 1, 2005, the Pacific Exchange, Inc. ("PCX" or "Exchange"), through its wholly owned subsidiary PCX Equities, Inc. ("PCXE"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the PCX. On July 5, 2005, the PCX amended the proposed rule change.³ The Commission is publishing this notice, as amended, to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange proposes to amend its rules governing the Archipelago Exchange ("ArcaEx"), the equities trading facility of PCXE. With this filing, the Exchange proposes to amend its current market data rebate program by allowing Equity Trading Permit Holders ("ETP Holders") to receive market