

the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the NYSE. 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-2005-48 and should be submitted on or before May 4, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-7055 Filed 4-12-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55600; File No. SR-NYSE-2007-27]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 Thereto To Adopt Generic Listing Standards for Index-Linked Securities

April 9, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 9, 2007, the New York Stock Exchange LLC ("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 substantially prepared by the Exchange. On April 4, 2007, the Exchange filed Amendment No. 1 to the proposed rule change. On April 5, 2007, the Exchange filed Amendment No. 2 to the proposed rule change. 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 proposes to adopt generic listing standards for equity index-linked securities ("Equity Index-Linked Securities"), commodity-linked securities ("Commodity-Linked Securities"), and currency-linked

securities ("Currency-Linked Securities" and, together with Equity Index-Linked Securities and Commodity-Linked Securities, "Index-Linked Securities"). The text of the proposed rule change is available at NYSE, the Commission's Public Reference Room, and [www.nyse.com](http://www.nyse.com).

#### 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

The Exchange proposes to add new Section 703.22 to its Listed Company Manual (the "Manual") to provide generic listing standards to permit the listing and trading of Index-Linked Securities pursuant to Rule 19b-4(e)<sup>3</sup> under the Act. The Exchange represents that any securities it lists and/or trades pursuant to proposed Section 703.22 of the Manual will satisfy the standards set forth therein. The Exchange states that within five business days after commencement of trading of an Index-Linked Security pursuant to proposed Section 703.22 of the Manual, the Exchange will file a Form 19b-4(e).<sup>4</sup>

##### Index-Linked Securities

Index-Linked Securities are designed for investors who desire to participate in a specific market segment by providing exposure to one or more identifiable underlying securities, commodities, currencies, derivative instruments, or market indexes of the foregoing (the "Underlying Index" or "Underlying Indexes").<sup>5</sup> Index-Linked Securities are

the non-convertible debt of an issuer that have a term of at least one year, but not greater than thirty years, and are tied to the performance of the Underlying Index. Index-Linked Securities may or may not make interest payments based on dividends or other cash distributions paid on the securities comprising the Underlying Index or Indexes to the holder during their term. Despite the fact that Index-Linked Securities are linked to an Underlying Index, each will trade as a single, exchange-listed security.

The Exchange represents that the proposed generic listing standards will not be applicable to Index-Linked Securities with respect to which the payment at maturity is based on a multiple of the negative performance of an Underlying Index or Indexes. An Index-Linked Security may or may not provide "principal protection," *i.e.*, a minimum guaranteed amount to be repaid.<sup>6</sup> The Exchange believes that the flexibility to list a variety of Index-Linked Securities will offer investors the opportunity to more precisely focus their specific investment strategies.

Index-Linked Securities do not give the holder any right to receive a portfolio component, dividend payments, or any other ownership right or interest in the portfolio or underlying components comprising the Underlying Index. Pursuant to proposed Section 703.22 of the Manual, the current or composite value of the Underlying Index will be widely disseminated at least every 15 seconds during the trading day.

##### Proposed Listing Criteria for Index-Linked Securities

The Exchange will apply the following requirements to all issuers of Index-Linked Securities:

- If the issuer is a NYSE-listed company, the entity must be a company in good standing (*i.e.*, meets NYSE's applicable continued listing criteria); if the issuer is an affiliate of a NYSE-listed company, the NYSE-listed company must be a company in good standing; if not listed, the issuer must meet the size and earnings requirements of Sections 102.01-102.03 or Sections 103.01-103.05 of the Manual. Sovereign issuers

to the appreciation and/or depreciation of the underlying component assets. For example, an Index-Linked Security may be subject to a "cap" on the maximum principal amount to be repaid to holders or a "floor" on the minimum principal amount to be repaid to holders at maturity.

<sup>6</sup> Some Index-Linked Securities may provide for "contingent" protection of the principal amount, whereby the principal protection may disappear if the Underlying Index at any point in time during the life of such security reaches a certain predetermined level.

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Rule 19b-4(e) provides that the listing and trading of a new derivative securities product by a self-regulatory organization ("SRO") shall not be deemed a proposed rule change if the Commission has approved the SRO's trading rules, procedures, and listing standards for the product class that would include the new derivatives securities product, and the SRO has a surveillance program for the product class. See 17 CFR 240.19b-4(e)(1).

<sup>4</sup> See 17 CFR 240.19b-4(e)(2)(ii).

<sup>5</sup> The Exchange states that the holder of an Index-Linked Security may or may not be fully exposed

will be evaluated on a case-by-case basis.

- The issuer will be expected to have a minimum tangible net worth<sup>7</sup> of \$250,000,000. In the alternative, the issuer will be expected: (i) To have a minimum tangible net worth of \$150,000,000 and (ii) not to issue Index-Linked Securities, the original issue price of which, combined with all the issuer's other Index-Linked Securities listed on a national securities exchange, exceeds 25% of the issuer's tangible net worth at the time of issuance. If the Index-Linked Securities are fully and unconditionally guaranteed by an affiliate of the issuer, the Exchange will rely on such affiliate's tangible net worth for purposes of these requirements and will include in its calculation all Index-Linked Securities that are fully and unconditionally guaranteed by such affiliate.

- The issuer must be in compliance with Rule 10A-3 under the Act.<sup>8</sup>

The Exchange will apply the following requirements to each issue of Index-Linked Securities:

- The issue must have a minimum public distribution of at least 1 million units and a minimum of 400 holders, except if traded on the NYSE Bonds system and the applicable NYSE Bonds listing and trading standards are satisfied;<sup>9</sup>

- The issue must have a principal amount/aggregate market value of not less than \$4 million;

- The issue must have a term of at least one year, but not greater than thirty years;

- The issue must be the non-convertible debt of the issuer; and

- The issue must not base its payment at maturity on a multiple of the negative performance of an Underlying Index or Indexes, although the payment at maturity may or may not provide for a multiple of the positive performance of an Underlying Index or Indexes.

Index-Linked Securities must have at least 400 holders at the time of listing. This requirement will not be applicable if the issue provides for the redemption of Index-Linked Securities at the option of the holders on at least a weekly basis. The Exchange believes that a weekly redemption right will ensure a strong correlation between the market price of

the Index-Linked Securities and the performance of the Underlying Index, as holders will be unlikely to sell their Index-Linked Securities for less than their redemption value if they have a weekly right to be redeemed for their full value. In addition, in the case of those Index-Linked Securities with a weekly redemption feature that are currently listed, as well as all of those that are currently proposed to be listed, the issuer has the ability to issue new Index-Linked Securities from time to time at the indicative value at the time of such sale. This provides a ready supply of new Index-Linked Securities thereby lessening the possibility that the market price of such securities will be affected by a scarcity of available Index-Linked Securities for sale. It also assists in maintaining a strong correlation between the market price and the indicative value, as investors will be unlikely to pay more than the indicative value in the open market if they can acquire Index-Linked Securities from the issuer at that price.

The ability to list Index-Linked Securities with these characteristics without any specific requirements as to the number of holders is important to the successful listing of such securities. Issuers issuing these types of Index-Linked Securities generally do not intend to do so by way of an underwritten offering. Rather, the distribution arrangement is analogous to that of an exchange traded fund issuance, in that the issue is launched without any significant distribution event, and the float increases over time as investors purchase additional securities from the issuer at the then indicative value. Investors will generally seek to purchase the securities at a point when the Underlying Index is at a level that they perceive as providing an attractive growth opportunity. In the context of such a distribution arrangement, it is difficult for an issuer to guarantee its ability to sell to sufficient investors on the listing date to meet a specific number-of-holders requirement. However, the Exchange believes that this difficulty in ensuring 400 holders on the listing date is not indicative of a likely long-term lack of liquidity in Index-Linked Securities or, for the reasons set forth in the prior paragraph, of a difficulty in establishing a pricing equilibrium in the Index-Linked Securities or a successful two-sided market.

#### *Equity Index-Linked Securities Listing Standards*

Equity Index-Linked Securities will be subject to the criteria in proposed Section 703.22(B)(I) of the Manual for

initial and continued listing. For an Underlying Index to be appropriate for the initial listing of an Equity Index-Linked Security, such Underlying Index must comprise at least ten component securities of different issuers. The Underlying Index must also either: (i) Be approved for the trading of options or other derivative securities by the Commission under Section 19(b)(2) of the Act<sup>10</sup> and rules thereunder, and the conditions set forth in the Commission's approval order, including comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied, or (ii) meet the following requirements:

- Each component security must have a minimum market value of at least \$75 million, except that for each of the lowest dollar weighted component securities in the Underlying Index that in the aggregate account for no more than 10% of the dollar weight of such Underlying Index, the market value can be at least \$50 million;

- Each component security must have a trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest dollar weighted component securities in the Underlying Index that in the aggregate account for no more than 10% of the dollar weight of such Underlying Index, the trading volume must be at least 500,000 shares in each of the last six months;

- Underlying Indexes based upon the equal-dollar or modified equal-dollar weighting methodology must be rebalanced at least quarterly;

- In the case of a capitalization weighted or modified capitalization weighted Underlying Index, the lesser of the five highest dollar weighted component securities in the Underlying Index or the highest dollar weighted component securities in the Underlying Index that in the aggregate represent at least 30% of the total number of component securities in the Underlying Index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;

- No component security will represent more than 25% of the dollar weight of the Underlying Index, and the five highest dollar weighted component securities in the Underlying Index will not in the aggregate account for more than 50% of the weight of the Underlying Index (60% for an Underlying Index consisting of fewer than 25 component securities);

- 90% of the Underlying Index's dollar weight and at least 80% of the total number of component securities

<sup>7</sup> "Tangible net worth" is defined as total assets, less intangible assets and total liabilities.

Intangibles include non-material benefits such as goodwill, patents, copyrights, and trademarks.

<sup>8</sup> See 17 CFR 240.10A-3 (setting forth the listing standards relating to audit committees).

<sup>9</sup> See NYSE Rule 86 (establishing rules and standards with respect to the Exchange's electronic system, known as "NYSE Bonds," for receiving, processing, executing, and reporting bids, offers, and executions in bonds).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

must meet the then current criteria for standardized options trading on a national securities exchange; and

- All component securities must either: (i) Be issued by a reporting company under the Act that is listed on a national securities exchange and be an "NMS stock," as defined in Rule 600 of Regulation NMS,<sup>11</sup> or (ii) be foreign country securities or American Depositary Receipts ("ADRs"), provided that the foreign country securities or foreign country securities underlying ADRs having their primary trading market outside the United States on foreign trading markets that are not parties to comprehensive surveillance agreements with the Exchange will not, in the aggregate, represent more than 20% of the dollar weight of the Underlying Index.

The Exchange will commence delisting or removal proceedings of an Equity Index-Linked Security if any of the standards set forth in the initial eligibility criteria are not continuously maintained, except that:

- The criteria that no single component represent more than 25% of the dollar weight of the Underlying Index and the five highest dollar weighted components in the Underlying Index cannot represent more than 50% (or 60% for Underlying Indexes with less than 25 components) of the dollar weight of the Underlying Index, need only be satisfied for capitalization weighted, modified capitalization weighted, and price weighted Underlying Indexes as of the first day of January and July in each year;

- The total number of components in the Underlying Index may not increase or decrease by more than 33⅓% from the number of components in the Underlying Index at the time of its initial listing, and in no event may be less than ten components;

- The trading volume of each component security in the Underlying Index must be at least 500,000 shares for each of the last six months, except that for each of the lowest dollar weighted components in the Underlying Index that in the aggregate account for no more than 10% of the dollar weight of the Underlying Index, trading volume must be at least 400,000 shares for each of the last six months; and

- For a capitalization weighted or modified capitalization weighted Underlying Index, the lesser of the five highest dollar weighted component securities in the Underlying Index or the highest dollar weighted component securities in the Underlying Index that in the aggregate represent at least 30%

of the total number of stocks in the Underlying Index have an average monthly trading volume of at least 1,000,000 shares over the previous six months.

In connection with an Equity Index-Linked Security, the Exchange will commence delisting or removal proceedings if an Underlying Index or Indexes fails to satisfy the maintenance standards or conditions for such Underlying Index or Indexes as set forth by the Commission in its order under Section 19(b)(2) of the Act<sup>12</sup> approving the Underlying Index or Indexes for the trading of options or other derivatives. The Exchange will also commence delisting or removal proceedings of an Equity Index-Linked Security under any of the following circumstances:

- If the aggregate market value or the principal amount of the Equity Index-Linked Securities publicly held is less than \$400,000;

- If the value of the Underlying Index or composite value of the Underlying Indexes is no longer calculated and widely disseminated on at least a 15-second basis during the time the Equity Index-Linked Securities trade on the Exchange; or

- If such other event occurs or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

#### *Commodity-Linked Securities Listing Standards*

Commodity-Linked Securities will be subject to the criteria in proposed Section 703.22(B)(II) of the Manual for initial and continued listing. An issue of Commodity-Linked Securities must meet initial listing standards set forth in either the first or second bullet point below:

- One or more physical commodities or commodity futures, options, or other commodity derivatives or Commodity Trust Shares (as defined in Exchange Rule 1300B) or basket or index of any of the foregoing (the "Commodity Reference Asset") to which the security is linked shall have been reviewed and approved for the trading of Commodity Trust Shares, options, or other derivatives by the Commission under Section 19(b)(2) of the Act<sup>13</sup> and rules thereunder, and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied; or

- The pricing information for each component of a Commodity Reference Asset must be derived from a market

which is an Intermarket Surveillance Group ("ISG") member or affiliate or with which the Exchange has a comprehensive surveillance sharing agreement. Notwithstanding the previous sentence, pricing information for gold and silver may be derived from the London Bullion Market Association.

In addition, the issue must meet both of the following initial listing criteria:

- The value of the Commodity Reference Asset must be calculated and widely disseminated on at least a 15-second basis during the time the Commodity-Linked Securities trade on the Exchange; and

- In the case of Commodity-Linked Securities that are periodically redeemable, the indicative value of the subject Commodity-Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Commodity-Linked Securities trade on the Exchange.

The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described above is not continuously maintained. Notwithstanding the foregoing sentence, an issue of Commodity-Linked Securities will not be delisted for a failure to have in place comprehensive surveillance sharing agreements if the Commodity Reference Asset has at least 10 components, and the Exchange has comprehensive surveillance sharing agreements with respect to at least 90% of the dollar weight of the Commodity Reference Asset. The Exchange will also commence delisting or removal proceedings:

- If the aggregate market value or the principal amount of the Commodity-Linked Securities publicly held is less than \$400,000;

- If the value of the Commodity Reference Asset is no longer calculated or available and a new Commodity Reference Asset is substituted, unless the new Commodity Reference Asset meets the requirements of proposed Section 703.22; or

- If such other event occurs or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

#### *Currency-Linked Securities Listing Standards*

Currency-Linked Securities will be subject to the criteria in proposed Section 703.22(B)(III) of the Manual for initial and continued listing. An issue of Currency-Linked Securities must meet initial listing standards set forth in either the first or second bullet point below:

<sup>11</sup> See 17 CFR 242.600(b)(47).

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> *Id.*

- One or more currencies, or options, currency futures, or other currency derivatives, or Currency Trust Shares (as defined in Exchange Rule 1300A), or a basket or index of any of the foregoing (the "Currency Reference Asset") to which the Currency-Linked Security is linked shall have been reviewed and approved for the trading of Currency Trust Shares, options, or other derivatives by the Commission under Section 19(b)(2) of the Act<sup>14</sup> and rules thereunder, and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements, continue to be satisfied; or
- The pricing information for each component of a Currency Reference Asset must be (a) the generally accepted spot price for the currency exchange rate in question or (b) derived from a market which (i) is an ISG member or affiliate of an ISG member or with which the Exchange has in place a comprehensive surveillance sharing agreement and (ii) is the pricing source for components of a Currency Reference Asset that has previously been approved by the Commission.

In addition, the issue must meet both of the following initial listing criteria:

- The value of the Currency Reference Asset must be calculated and widely disseminated on at least a 15-second basis during the time the Currency-Linked Securities trade on the Exchange; and
- In the case of Currency-Linked Securities that are periodically redeemable, the indicative value of the subject Currency-Linked Securities must be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the time the Currency-Linked Securities trade on the Exchange.

The Exchange will commence delisting or removal proceedings if any of the initial listing criteria described above is not continuously maintained. Notwithstanding the foregoing sentence, an issue of Currency-Linked Securities will not be delisted for a failure to have in place comprehensive surveillance sharing agreements if the Currency Reference Asset has at least 10 components, and the Exchange has comprehensive surveillance sharing agreements with respect to at least 90% of the dollar weight of the Currency Reference Asset. The Exchange will also commence delisting or removal proceedings under any of the following circumstances:

- If the aggregate market value or the principal amount of the Currency-

Linked Securities publicly held is less than \$400,000;

- If the value of the Currency Reference Asset is no longer calculated or available and a new Currency Reference Asset is substituted, unless the new Currency Reference Asset meets the requirements of proposed Section 703.22; or
- If such other event occurs or condition exists which, in the opinion of the Exchange, makes further dealings on the Exchange inadvisable.

#### *Exchange Rules Applicable to Index-Linked Securities*

Index-Linked Securities traded on the Exchange's equity trading floor will be subject to all Exchange rules governing the trading of equity securities. The Exchange's equity margin rules and the Exchange's regular trading hours (9:30 a.m. to 4 p.m. Eastern Time) will apply to transactions in Index-Linked Securities. Index-Linked Securities traded on the NYSE Bonds system will be subject to the rules applicable to securities traded on that system.

#### *Information Memorandum*

Upon evaluating the nature and complexity of each Index-Linked Security, the Exchange represents that it will prepare and distribute, if appropriate, an Information Memorandum to member organizations describing the product. Accordingly, the particular structure and corresponding risks of an Index-Linked Security will be highlighted and disclosed. In particular, the Memorandum will set forth the Exchange's suitability rule that requires a member organization recommending a transaction in Index-Linked Securities: (1) To determine that such transaction is suitable for the customer (NYSE Rule 723) and (2) to have a reasonable basis for believing that the customer can evaluate the special characteristics, and is able to bear the financial risks, of such transaction. In addition, the Information Memorandum will reference the requirement that NYSE member organizations must deliver a prospectus to investors purchasing newly issued Index-Linked Securities prior to or concurrently with the confirmation of a transaction.

#### *Surveillance*

The Exchange will closely monitor activity in Index-Linked Securities to identify and deter any potential improper trading activity in such securities. Additionally, the Exchange represents that its surveillance procedures are adequate to properly monitor the trading of Index-Linked

Securities. Specifically, the Exchange will rely on its existing surveillance procedures governing equities, options, and exchange-traded funds. The Exchange has developed procedures to closely monitor activity in Index-Linked Securities and the Underlying Indexes and their components to identify and deter potential improper trading activity. To the extent applicable, the Exchange will be able to obtain trading and beneficial holder information from the primary trading markets for the components of the Underlying Indexes in relation to Index-Linked Securities, either pursuant to bilateral information sharing agreements with those markets or because those markets are full members or affiliate members of the ISG.

#### *Firewall Procedures*

If the Underlying Index is maintained by a broker-dealer, the broker-dealer shall erect a "firewall" around the personnel responsible for the maintenance of the Underlying Index or who have access to information concerning changes and adjustments to the Underlying Index, and the Underlying Index shall be calculated by a third party who is not a broker-dealer. Any advisory committee, supervisory board, or similar entity that advises an Index Licensor or Administrator (each as defined in NYSE Rule 1100, Supplementary Material .10) or that makes decisions regarding the Underlying Index or portfolio composition, methodology, and related matters must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, non-public information regarding the applicable Underlying Index or portfolio.

NYSE Rules 1300B(b) and Rule 1301B restrict the ability of the specialist firm for any issue of Commodity-Linked Securities or its affiliates to make markets in and trade the Commodity Reference Asset components, the commodities underlying the Commodity Reference Asset components, or options, futures, or options on futures on the Commodity Reference Asset, or any other derivatives based on the Commodity Reference Asset, any Commodity Reference Asset component, or any physical commodity or commodities underlying a Commodity Reference Asset component. Similarly, a proposed rule change to NYSE Rules 1300A and 1301A<sup>15</sup> seeks to impose similar restrictions on the ability of the

<sup>15</sup> See Securities Exchange Act Release No. 55222 (February 1, 2007), 72 FR 6021 (February 8, 2007) (SR-NYSE-2006-68).

<sup>14</sup> *Id.*

specialist firm for any issue of Currency-Linked Securities or its affiliates to make markets in and trade the Currency Reference Asset components, the currencies underlying the Currency Reference Asset components, or options, futures, or options on futures on the Currency Reference Asset, or any other derivatives based on the Currency Reference Asset, any Currency Reference Asset component, or any currency underlying a Currency Reference Asset component.

#### *Trading Halts*

In the case of Commodity-or Currency-Linked Securities, if the indicative value or the Commodity Reference Asset value or Currency Reference Asset value, as the case may be, applicable to a series of such securities is not being disseminated as required, or, in the case of Equity Index-Linked Securities, if the value of the Underlying Index is not being disseminated as required, the Exchange may halt trading during the day on which such interruption first occurs. If such interruption persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

#### 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>16</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>17</sup> in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

The Exchange has neither solicited nor received written comments on the proposed rule change.

#### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

The Exchange has requested accelerated approval of this proposed rule change prior to the 30th day after the date of publication of the notice of the filing thereof. The Commission has determined that a 15-day comment period is appropriate in this case.

#### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2007-27 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-NYSE-2007-27. 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-2007-27 and should be submitted on or before April 30, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>18</sup>

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. E7-7056 Filed 4-12-07; 8:45 am]

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#### **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-55596; File No. SR-NYSEArca-2007-30]**

#### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Fees for Transactions in Listed and Nasdaq Securities Priced Less Than One Dollar**

April 6, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 22, 2007, NYSE Arca, Inc. ("NYSE Arca" or "Exchange"), through its wholly owned subsidiary NYSE Arca Equities, Inc. ("NYSE Arca Equities"), 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 substantially prepared by the Exchange. NYSE Arca has filed the proposal pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup>

<sup>18</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(5).