

the principal office of CBOE. 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-CBOE-2007-94 and should be submitted on or before September 27, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56332; File No. SR-NYSE-2007-76]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Relating To Requirements for Listing of Commodity-Linked Securities and Currency-Linked Securities

August 29, 2007.

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 August 22, 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. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Section 703.22 of the NYSE Listed Company Manual (the "Manual"), which permits the listing of commodity-linked securities ("Commodity-Linked Securities") and currency-linked securities ("Currency-Linked Securities"), among other securities. The text of the proposed rule change is available at NYSE, the Commission's Public Reference Room, and <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 amend Section 703.22(B)(II)(1)(b) and Section 703.22(B)(III)(1)(b) of the Manual to permit the listing and trading of Commodity-Linked Securities and Currency-Linked Securities, respectively, where the underlying Commodity Reference Asset³ or Currency Reference Asset,⁴ as the case may be, may include components representing not more than 10% of the dollar weight of such Commodity Reference Asset or Currency Reference Asset, for which the pricing information is derived from markets which do not meet the general requirements of the respective rule, as described below. In addition, the Exchange proposes that no single component of a Commodity Reference Asset or Currency Reference Asset, as the case may be, subject to the foregoing proposed exception may exceed 7% of the dollar weight of such Commodity Reference Asset or Currency Reference Asset.

Under Section 703.22(B)(II)(1) of the Manual, an issuance of Commodity-Linked Securities currently cannot be listed unless either:

- The Commodity Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Commodity Trust Shares or options or other derivatives by the Commission under Section 19(b)(2)⁵ of

³ Commodity Reference Asset is defined as one or more physical commodities or commodity futures, options or other commodity derivatives or Commodity Trust Shares (as defined in NYSE Rule 1300B) or a basket or index of any of the foregoing. See Section 703.22 of the Manual.

⁴ Currency Reference Asset is defined as one or more currencies, options or currency futures or other currency derivatives or Currency Trust Shares (as defined in NYSE Rule 1300A) or a basket or index of any of the foregoing. See *id.*

⁵ 15 U.S.C. 78s(b)(2).

the Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to comprehensive surveillance sharing agreements ("CSSAs"), continue to be satisfied; or

- The pricing information for each component of a Commodity Reference Asset is derived from a market which is an Intermarket Surveillance Group ("ISG") member or affiliate or with which the Exchange has a CSSA. Notwithstanding the previous sentence, pricing information for gold and silver may be derived from the London Bullion Market Association.

Similarly, under Section 703.22(B)(III)(1) of the Manual, an issuance of Currency-Linked Securities currently cannot be listed unless either:

- The Currency Reference Asset to which the security is linked shall have been reviewed and approved for the trading of Currency Trust Shares or options or other derivatives by the Commission under Section 19(b)(2) of the Act and rules thereunder and the conditions set forth in the Commission's approval order, including with respect to CSSAs, continue to be satisfied; or
- The pricing information for each component of a Currency Reference Asset must be (1) the generally accepted spot price for the currency exchange rate in question or (2) derived from a market which is (a) an ISG member or affiliate or with which the Exchange has a CSSA and (b) the pricing source for components of a Currency Reference Asset that has previously been approved by the Commission.

The Exchange proposes to amend the requirements as to the source of pricing information for components of Commodity-Linked Securities and Currency-Linked Securities so as to permit the listing of such securities where a maximum of 10% of the dollar weight of the Commodity Reference Asset or Currency Reference Asset, as the case may be, is made up of components that do not meet the respective general pricing information requirements. In addition, the Exchange proposes that no single component subject to the proposed exception may exceed 7% of the dollar weight of the Commodity Reference Asset or Currency Reference Asset, as the case may be.

The Exchange states that many commodity and currency markets are not members or affiliates of ISG, and the Exchange frequently experiences difficulty entering into CSSAs with such markets. The Exchange believes that its surveillance procedures are not materially hampered as long as it has access to trading information of underlying components that constitute

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

at least 90% of the dollar weight of the Commodity Reference Asset or Currency Reference Asset, as the case may be, and so long as the remaining 10% of the dollar weight of the Commodity Reference Asset or Currency Reference Asset, as the case may be, is comprised of more than one component. In addition, with respect to Currency-Linked Securities, the Exchange believes that the fact that the pricing information of a Currency Reference Asset is not based on the generally accepted spot price for the relevant currency or the Commission has not approved a particular market as a pricing source for components of a Currency Reference Asset does not constitute a material risk to investors where the pricing information for at least 90% of the dollar weight of the Currency Reference Asset is either based on the generally accepted spot price or derived from Commission-approved markets.⁶

The Exchange believes that the proposed amendment would provide the Exchange with greater flexibility to list securities under Section 703.22 of the Manual that are linked to a broader range of underlying assets, thereby providing issuers with a faster and less cumbersome means of listing new Commodity-Linked Securities and Currency-Linked Securities and benefiting the investing public. The Exchange notes that the Commission has previously approved similar approaches to the instant proposal, including another provision in Section 703.22 of the Manual permitting the listing of Equity Index-Linked Securities,⁷ where the underlying equity index may include foreign country securities or foreign country securities underlying American Depositary Receipts having their primary trading market outside the United States on foreign trading markets that are not members or affiliates of ISG or parties to CSSAs with the Exchange, as long as such securities do not, in the aggregate, represent more than 20% of the dollar weight of such underlying index.⁸

⁶ E-mail from John Carey, Assistant General Counsel, NYSE Euronext, to Edward Cho, Special Counsel, Division of Market Regulation, Commission, dated August 27, 2007 (confirming the basis of the proposal with respect to Currency-Linked Securities).

⁷ Equity Index-Linked Securities are defined as securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities. See Section 703.22 of the Manual.

⁸ See Section 703.22(B)(1)(2)(vii) of the Manual. See also Securities Exchange Act Release Nos. 55687 (May 1, 2007), 72 FR 25824 (May 7, 2007) (SR-NYSE-2007-27) (approving the generic listing and trading standards for Index-Linked Securities, including Equity Index-Linked Securities); and

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ 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 is considering granting accelerated

54013 (June 16, 2006), 71 FR 36372 (June 26, 2006) (SR-NYSE-2006-17) (approving the listing and trading of shares of the iShares GSCI Commodity Indexed Trust and providing that if a new component is added to the underlying index that constitutes more than 10% of the overall weight of the index and with whose principal trading market the Exchange does not have a comprehensive surveillance sharing agreement, the Exchange would seek to delist such shares).

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

approval of the proposed rule change at the end of a 15-day comment period.

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. Please include File Number SR-NYSE-2007-76 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-2007-76. 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, 100 F Street, NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. 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-2007-76 and should be submitted on or before September 21, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56337; File No. SR-NYSE-2007-78]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Institute a Revised System of Payments to Specialist Firms

August 29, 2007.

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 August 28, 2007, the New York Stock Exchange LLC ("Exchange" or "NYSE") 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. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to change its system of payments to specialist firms by aligning specialist firms' compensation with their performance. The text of the proposed rule change is available on the Exchange's Web site (<http://www.nyse.com>), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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. 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

On December 1, 2006, the Exchange instituted a six-month revenue sharing program for specialist firms³ in connection with the adoption of Exchange Rule 104B, which prohibits specialist firms from charging commissions.⁴ The program was subsequently extended for an additional three-month period ending August 31, 2007.⁵ The Exchange now proposes to replace the revenue sharing program with a system that provides variable payments to specialist firms for liquidity provision ("Liquidity Provision Payment" or "LPP").

LPPs will be based on two revenue sources in NYSE-listed securities (excluding exchange traded funds): (a) The Exchange's share of market data revenue derived from its quoting share; and (b) the Exchange's transaction fee revenue.

a. Share of Market Data Revenue Derived From Its Quoting Share

Pursuant to Regulation NMS,⁶ the Commission revised the formula for the distribution by the Consolidated Tape Association ("CTA") of market data quote revenue in NYSE-listed securities (Network A) among the various markets (the "Revenue Allocation Formula"). The Revenue Allocation Formula established a "Quoting Share" to reward markets that quote at the National Best Bid and Offer ("NBBO").⁷ The Exchange

proposes to base a portion of its total LPP to specialist firms on the actual revenue associated with its market data Quoting Share. The Exchange will use the actual CTA-derived results from the Revenue Allocation Formula's Security Income Allocation and Quoting Share components and determine its revenue associated from the Quoting Share on a symbol-by-symbol basis, which is then aggregated by specialist firms. The Exchange will then use the results to provide each specialist firm with their quoting component of the LPP payment. In effect, the Exchange will pass through to the specialist firm for each security all of the Quoting Share revenue associated with that security. The Exchange believes that this will provide an additional incentive to the specialist firms to post quotes more frequently at the NBBO and also to increase the size of the quote at the NBBO, as they will benefit directly from the related increase in the Exchange's Quoting Share revenue. The LPPs are consistent with the goal of the Revenue Allocation Formula to reward markets for quoting at the NBBO and to provide incentives to specialist firms for displaying significant liquidity at the best price.

b. Transaction Fee Revenue

The Exchange further proposes to create a payment pool (the "LPP Pool") consisting of the Exchange's NYSE-listed stock transaction revenue on matched volume (excluding crossing services) in both electronic and manually executed transactions to provide LPPs to the specialist firms. The LPP Pool size has been set at 25% of the above-noted Exchange transaction revenue and this percentage may change if the Exchange adjusts its pricing and/or based on other conditions such as specialist performance, including liquidity-enhancing participation levels.⁸ The size of the LPP Pool will vary month-to-month as Exchange volume changes. Each individual specialist firm will be allocated a

proportional fractions of qualified transaction reports. The Quote Rating represents a market's percentage of all best bids and best offers equaling the NBBO price during the year ("Quote Credits"). A market earns one Quote Credit for each second of time and dollar value of size that the market's automated best bid or best offer equals the NBBO price during regular trading hours without locking or crossing a previously displayed automated quotation. To qualify for credits, the quoted price must be displayed for at least one full second, and the relevant size is the minimum size that was displayed during the second. Transactions executed manually are excluded from the Revenue Allocation Formula and, thus, the market's manual quotes will not be entitled to earn any Quote Credits.

⁸ The Exchange states that it would file a rule filing with the Commission pursuant to the Act and the rules thereunder in relation to any such changes prior to their implementation.

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 54856 (December 1, 2006); 71 FR 71215 (December 8, 2006) (SR-NYSE-2006-106).

⁴ See Securities Exchange Act Release No. 54850 (November 30, 2006); 71 FR 71217 (December 8, 2006) (SR-NYSE-2006-105).

⁵ See Securities Exchange Act Release No. 55904 (June 13, 2007); 72 FR 34054 (June 20, 2007) (SR-NYSE-2007-50).

⁶ See Securities Exchange Act Release No. 51808 (June 9, 2005); 70 FR 37496 (June 29, 2005) ("Regulation NMS Adopting Release").

⁷ See Regulation NMS Adopting Release at page 37568. Under Regulation NMS, a market's Quoting Share in a particular security is equal to: (1) 50% of the Security Income Allocation for the security, multiplied by (2) the applicable market's Quote Rating in the security. The Security Income Allocation is the method by which the total distributable revenues are allocated among the eligible securities. Revenues are allocated based on the square root of the dollar volume of trading in each security, capped at \$4 per qualified transaction report to limit disproportionate allocations for inactively traded securities. A transaction report with a dollar volume of \$5,000 or more constitutes one qualified report; transaction reports with dollar volumes of less than \$5,000 are calculated as