ASTORIA FINANCIAL CORPORATION

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E-mail: rule-comments@sec.gov

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 205-1090

Re: **NYSE Listed Company Manual, Elimination of Treasury Stock Exception, File Number SR-NYSE-2006-30**

Gentlemen:

Astoria Financial Corporation ("AFC", "the Company" or "we") is pleased to have the opportunity to comment on the New York Stock Exchange May 5, 2006 filing to eliminate the "treasury share exception" under Section 312 of its *"Listed Company Manual"*. AFC is the holding company for Astoria Federal Savings and Loan Association, with assets of $22.2 billion is the largest thrift depository headquartered in New York with deposits of $12.8 billion and the sixth largest thrift institution in the United States. The Company operates 86 banking offices in New York. We also originate mortgage loans through our banking offices and loan production offices in New York, an extensive broker network covering twenty-four states, located primarily along the East Coast, the District of Columbia, and through correspondent relationships in twenty-four states and the District of Columbia.

AFC is an advocate of strong corporate governance and respect for shareholders. We also believe that the concerns recently raised by certain shareholders and other market participants regarding the use of treasury shares to circumvent shareholder approval rules for transactions which result in a change of control have merit. That said, we nevertheless disagree with the present form of the New York Stock Exchange's proposal to eliminate the "treasury shares exception" under Section 312 of its *"Listed Company Manual"*. The issue we wish to raise relates to Section 312.03(a) and (b) of the *"Listed Company Manual"* and how the treasury shares exception relates to equity compensation plans and related party transactions.

An overwhelming majority of public companies have equity compensation plans in place that link the compensation paid to officers and employees to the value delivered to shareholders through share price appreciation. Such plans are routinely presented for shareholder approval at annual shareholder meetings and it is generally the practice of many companies, including AFC, to use treasury shares to complete option exercises under these plans. Since shareholders are informed of a company's intent to use treasury shares to complete option exercises under a equity compensation plan at the time they are asked to approve a plan, we strongly believe that the NYSE proposal to eliminate "treasury shares exception" should provide some mechanism to exempt the issuance of treasury shares related to equity compensation plans previously approved by shareholders. In the alternative, the exemption should be grandfathered for those equity plans that have been previously approved so as not to disrupt the planned operation of such programs. New plans and the use of treasury shares to execute them could at least be considered by shareholders at the time of the benefit plans approval. Failure to do so would result in inefficiency, unnecessary expense, potential confusion and a redundant shareholder vote.

In summary, Astoria Financial Corporation supports transparency and is in compliance with all applicable corporate governance laws, rules and regulations under Delaware law, Federal law and the NYSE, on which AFC Common Stock is listed. While we do not object to rule clarifications designed to assure shareholder approval for statutory mergers and similar business combinations that fit the normal concept of a change in control, we do not support the elimination of the treasury share exception in its entirety. We recommend instead exempting the issuance of treasury shares related to equity compensation plans approved by shareholders or in the alternative at those previously approved.

We appreciate the opportunity to comment on the issues contained in SR-NYSE-2006-30 regarding amendments to shareholder approval policies under Section 312 of the New York Stock Exchange *"Listed Company Manual"*.

Respectfully submitted,

Alan P. Eggleston	Peter M. Finn	Peter Cunningham
Executive Vice President	First Vice President	First Vice President
General Counsel	Regulatory Affairs	Investor Relations