

# **ALLIANCE OF FLOOR BROKERS**

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July 25, 2006

Nancy M. Morris, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609

Re: File No. NYSE 2006-46 – Comments on Proposed NYSE Pricing Fees

Dear Ms. Morris:

The Alliance of Floor Brokers represents over 400 trading professionals including specialists, house brokers and independent brokers. We are writing to you to express concern about the NYSE proposed pricing schedule and the effect it might have on the competitive balance on the floor of the NYSE.

After polling our members it is apparent that the schedule disproportionately affects smaller brokerage firms. The major firms will realize a maximum price increase of 25% while most smaller firms will see dramatic rate increases (as much as 1500%). The AFB Board is concerned that these unbalanced increases might put smaller firms in financial jeopardy ultimately forcing order flow to gravitate to the larger firms and ultimately upsetting the competitive balance that currently exists on the NYSE trading floor.

The SEC Act of 1934 requires that the rules of the Exchange “provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. Further, such rule may not be designed to ‘permit unfair discrimination between customers, issuers, brokers or dealers’ or ‘impose any burden on competition not necessary or appropriate in furtherance of these purposes’ of the Exchange Act.”

The proposed rule change contains no discussion whatsoever of the significant impact it will have on competition and there are no disclosures on what the impact will be on the agent. From the small business owners’ perspective, this can be the death knoll of the independent brokers who service an important segment of the investment community.

Therefore given the short notice provided to our constituents of the Exchange's plans and an absence of an opportunity to comment to the Exchange on the propriety of this proposal, we strongly urge the Commission to immediately reject the filing as incomplete, require that it be refiled with a complete explanation as to its competitive impact and publish it for comment pursuant to Section 19 (B) (2) of the Exchange Act.

We acknowledge the duties of the NYSE management team to enhance shareholder equity but not at the expense of upsetting the competitive balance that currently exists on the floor of the Exchange. We are confident that a more equitable rate distribution will serve as a catalyst to benefit both the shareholders of NYSE Group and the investing public.

Respectfully submitted,

Brendan R. Dowd  
Co-President

Ronald Zdrojeski  
Co-President