

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70217; File No. SR-NYSE-2013-07)

August 15, 2013

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Disapprove Proposed Rule Change Amending NYSE Rules 451 and 465, and the Related Provisions of Section 402.10 of the NYSE Listed Company Manual, which Provide a Schedule for the Reimbursement of Expenses by Issuers to NYSE Member Organizations for the Processing of Proxy Materials and Other Issuer Communications Provided to Investors Holding Securities in Street Name and to Establish a Five-Year Fee for the Development of an Enhanced Brokers Internet Platform

On February 1, 2013, New York Stock Exchange (“NYSE”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend NYSE Rules 451 and 465, and the related provisions of Section 402.10 of the NYSE Listed Company Manual, which provide a schedule for the reimbursement of expenses by issuers to NYSE member organizations for the processing of proxy materials and other issuer communications provided to investors holding securities in street name and to establish a five-year fee for the development of an enhanced brokers internet platform. The proposed rule change was published for comment in the Federal Register on February 22, 2013.³ In response, the Commission received twenty-four comment letters on the proposal.⁴ On April 3, 2013, the Commission

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 68936 (February 15, 2013), 78 FR 12381.

⁴ See letters to Elizabeth M. Murphy, Secretary, Commission from: Charles V. Rossi, President, The Securities Transfer Association, dated February 20, 2013 and March 4, 2013; Karen V. Danielson, President, Shareholder Services Association, dated March 4, 2013; Jeanne M. Shafer, dated March 6, 2013; David W. Lovatt, dated March 6, 2013; Stephen Norman, Chair, The Independent Steering Committee of Broadridge, dated March 7, 2013; Jeffrey D. Morgan, President & CEO, National Investor Relations

subsequently extended the time period in which to either approve the proposed rule change, or to institute proceedings to determine whether to disapprove the proposed rule change, to May 23, 2013.⁵ The Commission thereafter received four more comment letters and a response to comments from NYSE.⁶ On May 23, 2013, the Commission initiated proceedings to determine whether to disapprove the proposed rule change and solicited additional comments.⁷ The

Institute, dated March 7, 2013; Kenneth Bertsch, President and CEO, Society of Corporate Secretaries & Governance Professionals, dated March 7, 2013; Niels Holch, Executive Director, Shareholder Communications Coalition, dated March 12, 2013; Geoffrey M. Dugan, General Counsel, iStar Financial Inc., dated March 13, 2013; Paul E. Martin, Chief Financial Officer, Perficient, Inc., dated March 13, 2013; John Harrington, President, Harrington Investments, Inc., dated March 14, 2013; James McRitchie, Shareowner, Corporate Governance, dated March 14, 2013; Clare A. Kretzman, General Counsel, Gartner, Inc., dated March 15, 2013; Tom Quaadman, Vice President, Center for Capital Markets Competitiveness, dated March 15, 2013; Dennis E. Nixon, President, International Bancshares Corporation, dated March 15, 2013; Argus I. Cunningham, Chief Executive Officer, Sharegate Inc., dated March 15, 2013; Laura Berry, Executive Director, Interfaith Center on Corporate Responsibility, dated March 15, 2013; Dorothy M. Donohue, Deputy General Counsel - Securities Regulation, Investment Company Institute, dated March 15, 2013; Charles V. Callan, Senior Vice President - Regulatory Affairs, Broadridge Financial Solutions, Inc., dated March 15, 2013; Brad Philips, Treasurer, Darling International Inc., dated March 15, 2013; John Endean, President, American Business Conference, dated March 18, 2013; Tom Price, Managing Director, The Securities Industry and Financial Markets Association, dated March 18, 2013; and Michael S. O'Brien, Vice President – Corporate Governance Officer, BNY Mellon, dated March 28, 2013.

⁵ See Securities Exchange Act Release No. 69286 (April 3, 2013), 78 FR 21481 (April 10, 2013).

⁶ See letters to Elizabeth M. Murphy, Secretary, Commission from: Jeff Mahoney, General Counsel, Council of Institutional Investors, dated April 5, 2013; Paul Torre, Executive Vice President, AST Fund Solutions, LLC, dated May 16, 2013; and John M. Payne, Chief Executive Officer, Zumbox, Inc., dated May 20, 2013; see also letter to the Honorable Mary Jo White, Chair, Commission from Dieter Waizenegger, Executive Director, CtW Investment Group, dated May 17, 2013. See also response letter from Janet McGinnis, EVP & Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Commission, dated May 17, 2013.

⁷ See Securities Exchange Act Release No. 69622 (May 23, 2013), 78 FR 32510 (May 30, 2013) (“Order Instituting Proceedings”).

Commission thereafter received fourteen comment letters on the proposal and a response to the Order Instituting Proceedings from NYSE.⁸

Section 19(b)(2) of the Act⁹ provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of the filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for comment in the Federal Register on February 22, 2013. August 21, 2013 is 180 days from that date, and October 20, 2013 is an additional 60 days from that date.

⁸ See letters to Elizabeth M. Murphy, Secretary, Commission from: Katie J. Sevcik, Legal and Regulatory Committee Chair, Shareholder Services Association, dated June 12, 2013; Paul Torre, Executive Vice President, AST Fund Solutions, LLC, dated June 18, 2013; Loren Hanson, Assistant Secretary/Assistant Treasurer, Otter Tail Corporation, dated June 17, 2013; Michael J. Hogan, Chief Executive Officer, FOLIO*fn* Investments, Inc., dated June 18, 2013; Harold Westervelt, President, INVeSHARE, dated June 18, 2013; Dieter Waizenegger, Executive Director, Investment Group, dated June 20, 2013; Dorothy M. Donohue, Deputy General Counsel – Securities Regulation, Investment Company Institute, dated June 20, 2013; Lisa Lindsley, Director, Capital Strategies Program, The American Federation of State, County and Municipal Employees, dated July 3, 2013; Brandon Rees, Acting Director, American Federation of Labor and Congress of Industrial Organizations Office of Investment, dated July 5, 2013; Charles V. Rossi, President, The Securities Transfer Association, Inc., dated July 5, 2013; James J. Angel, dated July 5, 2013; and Michael J. Hogan, Chief Executive Officer, FOLIO*fn* Investments, Inc., dated July 12, 2013; see also letters to the Honorable Mary Jo White, Chair, Commission from Ann Yerger, Executive Director, Council of Institutional Investors, dated May 17, 2013; and Charles E. Schumer, United States Senator, dated May 23, 2013. See also response letter from Janet McGinnis, EVP & Corporate Secretary, NYSE Euronext, to Elizabeth M. Murphy, Secretary, Commission, dated July 9, 2013.

⁹ 15 U.S.C. 78s(b)(2).

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change, the issues raised in the comment letters that have been submitted in connection with the proposed rule change, and the NYSE's responses to such issues. Specifically, as the Commission noted in more detail in the Order Instituting Proceedings, the proposal raises significant questions as to whether the Exchange has provided adequate justification for material aspects of its proposal such that the Commission can determine that the proposal is consistent with the Act. Extending the time within which to approve or disapprove the proposed rule change will enable the Commission to more fully consider this issue and the other issues raised in the comment letters.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹⁰ designates October 20, 2013, as the date by which the Commission should either approve or disapprove the proposed rule change.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Kevin M. O'Neill
Deputy Secretary

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(31).