

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-55345; File No. SR-NYSE-2007-15)

February 26, 2007

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of a Proposed Rule Change Regarding the Amendment of NYSE Rule 300 Relating to Trading Licenses

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 February 13, 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 NYSE. 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 NYSE Rule 300 relating to trading licenses to charge a premium of \$5,000, for a total annualized rate of \$55,000 for those trading licenses purchased after the annual application period.

The text of the proposed rule change is available on NYSE’s Web site at <http://www.nyse.com/regulation/rules/1160561784294.html>, at NYSE’s principal office, 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 and discussed any comments it received on

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

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

the proposal. 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 NYSE Rule 300 relating to trading licenses to charge a premium for those trading license purchased after the annual application period. The premium would be \$5,000 or 10% above the fixed price of \$50,000 per trading license, pro-rated to reflect the amount of time remaining in the year at the time of the commencement of the license. The Exchange believes that there are benefits to itself and to its member organizations in having a more stable trading license population during the course of the calendar year.

The Exchange previously required payment of a premium to encourage participation in a "Dutch" auction, but recently eliminated this requirement in connection with its transition away from the use of an auction to set the price of a trading license.<sup>3</sup> The Exchange believes, however, that the requirement of a 10% premium should be reinstated. The Exchange believes that the 10% premium for licenses purchased after the annual application period provides the Exchange with greater predictability regarding the number of trading licenses outstanding during each calendar year. The Exchange represents that this predictability not only facilitates business planning and administration by member organizations and the Exchange, but also reduces both business and regulatory systems changes required to reflect fluctuations in trading licenses issued. The Exchange believes that the premium encouraged member organizations to properly

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<sup>3</sup> Securities Exchange Act Release No. 54998 (December 21, 2006), 71 FR 78496 (December 29, 2006) (SR-NYSE-2006-98).

forecast the number of licenses needed by it in the conduct of its business for the upcoming calendar year, which in turn helped the Exchange determine the resources required to administer and monitor trading licenses for the same period and to efficiently prepare systems changes relating to any significant changes in the trading license population required for both business and regulatory purposes. The Exchange believes that the premium will also discourage member organizations from surrendering and requesting licenses on a monthly basis and thereby help reduce month-by-month changes in the trading license population.

## 2. Statutory Basis

The statutory basis for the proposed rule change is the requirement under Section 6(b)(4)<sup>4</sup> of the Act that an exchange have rules that provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities and the requirement under Section 6(b)(5)<sup>5</sup> of the Act that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market 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 would 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

Written comments were neither solicited nor received.

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<sup>4</sup> 15 U.S.C. 78f(b)(4).

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

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 NYSE 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.

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-2007-15 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2007-15. 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 such filing also will be available for inspection and copying at the principal office of 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-2007-15 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Florence E. Harmon  
Deputy Secretary

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