

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-54359; File No. SR-NYSE-2006-53)

August 24, 2006

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Use of the Revised Uniform Application for Securities Industry Registration or Transfer (Form U4) and Revised Uniform Termination Notice for Securities Industry Registration (Form U5)

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 August 4, 2006, 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 and II below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change as a “non-controversial” rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.<sup>5</sup>

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

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

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

<sup>5</sup> Certain additions and technical corrections were made throughout the discussion of the proposed rule change pursuant to conversations with NYSE staff. Telephone conversations between Cory Figman, Senior Special Counsel, Rule and Interpretive Standards, NYSE, and Kate Robbins, Attorney, Division of Market Regulation, Commission, on August 10, 2006.

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

The Exchange submits to the Commission, for use by the Exchange, the recently revised Uniform Application for Securities Industry Registration or Transfer (Form U4) and revised Uniform Termination Notice for Securities Industry Registration (Form U5).

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 purpose of this filing is to adopt, for use by the Exchange, recently revised Forms U4 and U5<sup>6</sup> (collectively, the “Forms”). These Forms are identical to those filed with the Commission by the National Association of Securities Dealers (“NASD”) in 2005.<sup>7</sup>

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<sup>6</sup> Form U4 is the “Uniform Application for Securities Industry Registration or Transfer” and Form U5 is the “Uniform Termination Notice for Securities Industry Registration.” Form U4 has historically been the vehicle for the reporting of events that may reveal that a person is subject to a statutory disqualification. See Section 3(a)(39) of the Act, 15 U.S.C. 78c(a)(39).

<sup>7</sup> See Securities Exchange Act Release No. 52544 (September 30, 2005), 70 FR 58764 (October 7, 2005) (SR-NASD-2005-030) and NASD Notice to Members 05-66.

The revised Forms, which are to be used by the Exchange as part of its registration and oversight of persons associated with member organizations, have been enhanced to provide more meaningful and detailed disclosure with respect to registration-related functions processed through the Central Registration Depository (“CRD”) system. The CRD is an industry-wide automated system which allows for the efficient review and tracking of registered persons in the securities industry, such as changes in their work and disciplinary histories. Further, use of the revised Forms allows for integration of Form U4 and Form U5 information into branch office registration and reporting functions processed through the CRD system by linking registered persons to their designated branch office.

## 2. Statutory Basis

The Exchange believes that, insofar as Forms U4 and U5 and the CRD system are used by the various self-regulatory organizations, including the Exchange, their use is consistent with Section 6(b)(5) of the Act<sup>8</sup> in fostering cooperation and coordination with persons engaged in regulating transactions in securities. Additionally, the Exchange believes that the information reported on the Forms will assist the Exchange in its responsibilities under Section 6(c) of the Act<sup>9</sup> in evaluating whether an individual subject to a statutory disqualification or who cannot meet such standards of training, experience, and competence as are prescribed by the rules of the Exchange or those who have engaged in acts or practices inconsistent with just and equitable principles of trade should be denied membership.

### B. Self-Regulatory Organization’s Statement on Burden on Competition

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<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 15 U.S.C. 78f(c).

The Exchange does not believe that the proposed rule change will impose any burden on competition 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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.<sup>12</sup> However, Rule 19b-4(f)(6)(iii)<sup>13</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange provided the Commission with written notice of its intent to file this proposed rule change at least five business days prior to the date of filing of the proposed rule change. In addition, the Exchange has requested that the Commission waive the 30-day operative delay to allow the Exchange to utilize the U4 and U5 Forms without any

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> Id.

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

undue delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it would allow the Exchange to immediately use the revised Forms U4 and U5, which are currently being used by NASD.<sup>14</sup> For this reason, the Commission designates the proposal to be effective and operative upon filing with the Commission.<sup>15</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such proposed rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

#### 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-2006-53 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and

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<sup>14</sup> See SR-NASD-2005-030, *supra* note 7.

<sup>15</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2006-53. 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 the 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-2006-53 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>16</sup>

Nancy M. Morris  
Secretary

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<sup>16</sup> 17 CFR 200.30-3(a)(12).