

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-64582; File No. SR-NYSE-2011-23)

June 2, 2011

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Exchange Price List

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on May 26, 2011, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 modify the fees it charges for the issuance of trading licenses that are required in order to effect transactions on the floor of the Exchange or through any facility of the Exchange. The Exchange proposes to amend its 2011 Price List (“Price List”) to (i) create a two-tiered pricing structure for the annual fee, under which the fee would continue to be \$40,000 per license for the first two licenses held by a member organization but would be reduced to \$25,000 per license for any additional trading licenses held by that member organization, (ii) provide a formula for proration of the annual fee during a calendar month in which a trading license has been in place for less than the full month, (iii) eliminate the current \$1,000 fee for approval of a new member, and (iv) eliminate the \$1,000 trading license transfer fee. The Exchange also proposes to amend Exchange Rule 300 (Trading Licenses) to be

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

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

consistent with these changes and also to provide that the monthly installments of the annual fee be payable in arrears at the end of each month. These changes will become operational on June 1, 2011. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, [www.sec.gov](http://www.sec.gov), and [www.nyse.com](http://www.nyse.com).

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 self-regulatory organization 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 those 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 parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to modify the fees it charges for the issuance of trading licenses that are required in order to effect transactions on the floor of the Exchange or through any facility of the Exchange. As currently provided in Exchange Rule 300 (Trading Licenses), the price per trading license sold in each annual offering of such licenses is established each year by the Exchange pursuant to a rule filing submitted to the Commission, and that price is published in the Exchange's Price List. The Exchange has previously established the trading license fee for calendar year 2011 at \$40,000 per license, which is currently reflected in the Price List.

The Exchange proposes to modify the structure of its annual fee for trading licenses by moving from a single price for all such licenses to a two-tiered pricing structure. Under the proposal, the annual fee would continue to be \$40,000 per license for the first two trading licenses held by a member organization but would be reduced to \$25,000 per license for any

additional trading licenses held by that member organization. The price of each of these two tiers would continue to be established each year by the Exchange pursuant to a rule filing submitted to the Commission, with the tier prices being published in the Price List.

Pursuant to Exchange Rule 300(e), a buyer of a trading license is required to pay the Exchange the trading license fee in equal monthly installments in advance over the period during which the trading license is in effect. The Exchange proposes to change its billing schedule so that the monthly installments are payable in arrears at the end of each month.

In addition, Exchange Rule 300(d) provides that, following the annual offering and at any time thereafter during the following calendar year, the Exchange shall sell additional trading licenses expiring at the end of the calendar year at the price set forth in the Price List, but prorated to reflect the amount of time remaining in the year. For any such additional trading license that is in place for 15 calendar days or less in a calendar month, the Exchange proposes that the proration for that month will be computed based on a flat rate of \$100 per day with no tier pricing involved. For any such additional trading license that is in place for 16 calendar days or more in a calendar month, the Exchange proposes that the proration for that month will be computed based on the number of days as applied to the full annual fee for the license for the applicable tier.

Finally, the Exchange proposes to eliminate the current \$1,000 fee provided for on the Price List for approval of a new member because it believes the annual fee adequately covers any costs related to such approval. The Exchange further proposes to eliminate the \$1,000 trading license transfer fee provided for on the Price List. This fee has become obsolete due to the fact that trading licenses are no longer transferred; instead, they are purchased following expiration or termination pursuant to Exchange Rule 300.

In addition to the proposed changes to the Price List, the Exchange also proposes to amend Exchange Rule 300 to be consistent with these changes.

These changes will become operational on June 1, 2011. Licenses that are already in place will be billed monthly for the remainder of the year at the new tier rates beginning on that date, but there will be no retroactive adjustment for the period prior to June 1 for those trading licenses that qualify for the new \$25,000 tier price. For the June 2011 billing, the Exchange will begin invoicing in arrears as discussed above.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Securities Exchange Act of 1934 (the “Act”),<sup>3</sup> in general, and Section 6(b)(4) of the Act,<sup>4</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The Exchange believes that the proposal does not constitute an inequitable allocation of fees, as all similarly situated member organizations will be subject to the same fee structure and access to the Exchange’s market is offered on fair and non-discriminatory terms. Any member organization that holds more than two trading licenses will be able to benefit from the new \$25,000 annual fee tier for the additional licenses. The ability to pay monthly installments of the annual fee in arrears instead of in advance, as presently required, should be beneficial to all member organizations that hold trading licenses.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

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

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>5</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>6</sup> thereunder, because it establishes a due, fee, or other charge imposed by the NYSE.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such 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-2011-23 on the subject line.

Paper comments:

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

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<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>6</sup> 17 CFR 240.19b-4(f)(2).

All submissions should refer to File Number SR-NYSE-2011-23. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. 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 publicly available. All submissions should refer to File Number SR-NYSE-2011-23 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

Cathy H. Ahn  
Deputy Secretary

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<sup>7</sup> 17 CFR 200.30-3(a)(12).