

Text of the Proposed Rule Changes

Additions are underscored. Deletions are [bracketed].

NYSE Listed Company Manual

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703.12 Warrants Listing Standards

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(A) Standards for Listing

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Also, the Exchange normally refuses to list warrants issued in connection with other securities which do not meet Exchange listing requirements. [The terms of the warrants must not give the company the right to reduce the established price of the warrant for periods of time, or from time to time, during the life of the warrants.]

The Exchange will not list warrant issues containing provisions which give the company the right, at its discretion, to reduce the exercise price of the warrants for periods of time, or from time to time, during the life of the warrants unless (i) the company undertakes to comply with any applicable tender offer regulatory provisions under the federal securities laws, including a minimum period of 20 business days within which such price reduction will be in effect (or such longer period as may be required under the SEC's tender offer rules) and (ii) the company promptly gives public notice of the reduction in exercise price in a manner consistent with the Exchange's immediate release policy set forth in Section 202.06 hereof. The Exchange will apply the requirements in the immediately preceding sentence to the taking of any other action which has the same economic effect as a reduction in the exercise price of a listed warrant. This policy will not preclude the listing of warrant issues for which regularly scheduled and specified changes in the exercise price have been previously established at the time of issuance of the warrants.

Finally, the Exchange strongly recommends that each warrant have a residual value at expiration. The value could take the form of a monetary value or security value, e.g., 100 warrants entitles a holder to one share of common stock or some other security.

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