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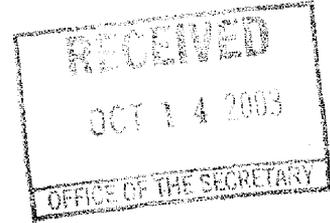
EPWAAD KNIGHT  
EXECUTIVE VICE PRESIDENT

MEMBER OF THE NASDAQ LISTED COMPANIES



PROVIDING FINANCIAL INFORMATION TO INVESTORS

MEMBER OF THE NASDAQ LISTED COMPANIES



October 6, 2003

Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, DC 20549-0609

Re: **Release No. 34-48435; File No. SR-NYSE-2003-23**  
**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by**  
**the New York Stock Exchange, Inc. Repealing Exchange Rule 500 and**  
**Amending Section 806 of the Listed Company Manual.**

Dear Mr. Katz:

By this letter, The Nasdaq Stock Market, Inc. ("Nasdaq") submits its comments on the above-captioned rule filing by the New York Stock Exchange ("NYSE") repealing NYSE Rule 500 ("Rule 500"), which imposes restrictions on issuers seeking to delist from the NYSE, and amending Section 806 of the NYSE Listed Company Manual to provide a voluntary delisting procedure. Nasdaq welcomes this rule change by the NYSE as an essential and long overdue reform; indeed, Nasdaq has pending before the Securities and Exchange Commission ("Commission") a petition seeking repeal of Rule 500 on the grounds that the Rule is anticompetitive and obsolete. Upon Commission approval of the instant rule filing as amended by the **clarifying** points proposed by Nasdaq herein, Nasdaq will withdraw that petition.

Nasdaq believes that the NYSE intends the rule change to remove the barriers to free market competition for listing and issuer listing changes that Rule 500 presented. In this spirit, we propose two clarifications to proposed Section 806. First, the NYSE should clarify that it will suspend trading in the securities of an issuer voluntarily delisting to trade on another market, during the period that the issuer's application to delist under the Securities and Exchange Act of 1934 is pending before the Commission. During this suspension period, the issuer's securities would trade on the new market, and no longer trade on the NYSE. This is the practice followed by the American Stock Exchange and by *the* NYSE itself in at least one prior instance. Otherwise, as we discussed at length in our petition, experience demonstrates that the specialist structure of the NYSE creates a risk to the trading of a stock once the issuer has announced it is leaving the NYSE. When

**Jonathan G. Katz, Secretary**  
**October 6, 2003**  
**Page 2**

Nasdaq is registered as **an** exchange, we will likewise adopt such a practice for stocks departing for other markets.

Second, the new rule should make clear that the NYSE will not be approving or disapproving an issuer's "application" to delist, but simply following the issuer's direction. To make this clear, we would suggest that the words "apply to" be deleted from the rule text. It is also unnecessary and, we believe, inappropriate, to require issuers to submit a certification of board resolution. A simple letter representing that the Board has so voted should suffice for **the** NYSE, as it does for other markets.

Nasdaq **has** long urged the repeal of Rule 500 and we welcome this right step by the NYSE. The clarifying points suggested in this comment are intended to ensure a smooth transition from one market to another, so that the Commission's mandate to ensure true competition in listings can be fulfilled. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edward S. Knight".

Edward S. Knight