

Mary Yeager
Assistant Secretary

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Via email to www.rule-comments@sec.gov

November 11, 2004

Mr. Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: NYSE Liquidity QuoteSM Attribution
File No. SR-NYSE-2004-32

Dear Mr. Katz:

The New York Stock Exchange, Inc. welcomes the opportunity to respond to the July 7, 2004, letter from Bloomberg L.P. commenting on the captioned rule change.

In compliance with two recent Commission orders on the display of Liquidity Quote (“NYLQ”) data,¹ our filing permits vendor displays to commingle our executable depth quotes with the unreachable, out-of-the-money “BBO” autoquotes provided by other markets so long as every display associates with NYLQ data the four-character identifier “NYLQ”.²

This minimalist attribution requirement comports with the Commission’s display rule for commingled BBOs, and follows common industry practice for market identification. The

¹ See Release Nos. 34-47614 (April 2, 2003) and 34-49076 (January 14, 2004). The Commission has twice “asked and answered” the question of whether to permit markets to require depth-quote attribution. In its April 2003 order approving NYLQ, the Commission explicitly authorized the Exchange to require vendors to “provide the NYSE attribution in *any* display that includes Liquidity Quote”. (Emphasis added.) In its January 2004 order, the Commission affirmed this authorization.

² Alternatively, vendor displays can spell out “NYSE Liquidity Quote”. In addition to source attribution, the initial form of NYLQ contract required highlighting and, for montage displays, an eleven-word footnote explaining how the NYSE BBO and NYLQ double count the NYSE BBO shares. The form also required prior approval of screen shots. The filed contract form deletes these three requirements.

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requirement reasonably and appropriately assures that every vendor display discloses to traders and investors the amount and source of our depth liquidity so they can make informed trading and order-routing decisions. Assuring that every vendor display identifies the share amount and source affords market quality transparency, enabling markets to differentiate themselves from competitors on the basis of market quality and data products, and thereby to invigorate inter-market competition.

We thank you for this opportunity to respond. We would be pleased to answer any questions that you may have.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mary Yeager", with a long horizontal flourish extending to the right.

Mary Yeager
Assistant Secretary

cc: Chairman William H. Donaldson
Commissioner Paul S. Atkins
Commissioner Roel C. Campos
Commissioner Cynthia A. Glassman
Commissioner Harvey J. Goldschmid
Annette L. Nazareth
Robert L. D. Colby
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