

Mary Yeager
Assistant Secretary

New York Stock Exchange, Inc.
Wall Street
New York, NY

tel:
fax:
myeager@nyse.com



July 5, 2005

Katherine A. England
Assistant Director
Division of Market Regulation
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-1001

Re: Response to Comments to File Number SR-NYSE-2005-29
Relating to Failure to Honor Award

Dear Ms. England:

The New York Stock Exchange, Inc. (“NYSE” or the “Exchange”) hereby submits its response to a public comment letter received by the Securities and Exchange Commission (“SEC” or the “Commission”) after the publication of File Number SR-NYSE-2005-29 in the Federal Register on May 6, 2005.¹

The SEC received one comment letter.² The Exchange believes that the suggested amendment is beyond the scope of the filing and is not making further amendments to its proposal.

Background

Rule 637 provides for disciplinary action when any member, allied member, registered representative or member organization fails to honor an award of arbitrators. On April 25, 2005, the Exchange filed with the SEC a proposed change to Rule 637 to delete reference to Rule 476A as a possible means to address violations of this Rule.

The Exchange considers the failure to honor an arbitration award a serious offense that has serious consequences. Accordingly, the Exchange filed the proposed amendment

¹ Exchange Act Release No. 34-51622 (April 27, 2005), 70 FR 24146 (May 6, 2005) (SR-NYSE-2005-29).

² See Letter from Robert S. Clemente, Liddle and Robinson, to Jonathan G. Katz, dated May 13, 2005.

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since such failure is not properly remedied through disciplinary action pursuant to the minor fine provisions of Rule 476A. Members, allied members, registered representatives or member organizations who do not honor an arbitration award will be subject to a hearing before a Hearing Panel, and, if found guilty, the imposition of disciplinary sanctions. Such disciplinary sanctions include fines and/or suspension.

Please contact Karen Kupersmith, Director – Arbitration, at 212-656-4865 if you have any further questions concerning the above.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Mary Yeager". The signature is written in black ink and is positioned below the text "Very truly yours,".

Mary Yeager

cc: Hong-ahn Tran