

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55232; File No. SR-NYSEArca-2007-09)

February 2, 2007

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to Expanding the Business Activities of Archipelago Securities, L.L.C.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 25, 2007, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by NYSE Arca. 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

NYSE Arca is proposing to expand the business activities of Archipelago Securities, L.L.C. (“Archipelago Securities”), a registered broker-dealer, a member of several self-regulatory organizations including the NASD, and a facility of the Exchange. With this filing, the Exchange proposes that, in addition to providing an optional outbound order routing service for the Exchange, Archipelago Securities shall act as a marketing agent on behalf of NYSE Arca Tech 100 Index (the “Index”) and NYSE Arca Tech 100 ETF (the “ETF”) and provide reasonable services attendant thereto.

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

In its filing with the Commission, NYSE Arca included statements concerning the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NYSE Arca has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

In October 2001, the Commission approved Wave Securities, L.L.C. (“Wave”) to operate as a facility of the Exchange, as that term is defined in Section 3(a)(2) of the Act.³ At that time, the Commission authorized Wave to perform outbound router services for the Exchange, as a facility of the Exchange. Archipelago Securities succeeded Wave in the second quarter of 2003 and assumed certain of Wave’s duties, including the outbound router function. The Commission subsequently re-approved the outbound router function as a facility of the Exchange in connection with the acquisition of the Pacific Exchange, Inc. by Archipelago Holdings, Inc., the parent company of the Exchange.⁴ Pursuant to the Archipelago/PCX Acquisition Release, any expansion of the business activities of Archipelago Securities must be approved by the Commission. Most recently, the Commission approved the expansion of the business activities of Archipelago Securities to include, as a facility of the Exchange, the function of routing option orders for members of the Exchange.⁵

³ See Securities Exchange Act Release No. 44983 (October 25, 2001), 66 FR 55225 (November 1, 2001) (SR-PCX-00-25).

⁴ See Securities Exchange Act Release No. 52497 (September 22, 2005), 70 FR 56949 (September 29, 2005) (SR-PCX-2005-90) (“Archipelago/PCX Acquisition Release”).

⁵ See Securities Exchange Act Release No. 54238 (July 28, 2006), 71 FR 44758 (August 7, 2006) (SR-NYSEArca-2006-13).

With this filing, the Exchange proposes that Archipelago Securities act as a marketing agent on behalf of the Index and the ETF and provide reasonable services attendant thereto. This proposed business activity has no connection to Archipelago Securities' facility functions described above. As marketing agent for the Index and the ETF, Archipelago Securities will develop a marketing plan designed to advertise, promote, and increase public awareness of the Index and the ETF within the financial services industry and investing public ("Marketing Plan"), including: branding, promotional activities, development and design of marketing materials, collateral and media campaigns (i.e., electronic media, print media, Internet, etc.), and hosting a Web site for the ETF. Pursuant to this Marketing Plan, Archipelago Securities has drafted and expects to imminently execute an agreement with B.C. Zeigler and Company to provide the foregoing services for a period of one (1) year and renewable, upon agreement of both parties, annually thereafter.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)⁶ of the Act, in general, and furthers the objectives of Section 6(b)(8)⁷ of the Act, in particular, in that it does not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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.

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

The Exchange has neither solicited nor received written comments on the proposed rule

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(8).

change.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- (A) by order approve such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

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. Please include File No. SR-NYSEArca-2007-09 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2007-09. 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 Web site (<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 inspection and copying in the Commission's Public Reference Room. 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 available publicly. All submissions should refer to File Number SR-NYSEArca-2007-09 and should be submitted on or before [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Florence E. Harmon
Deputy Secretary

⁸ 17 CFR 200.30-3(a)(12).