

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57349; File No. SR-NYSEArca-2008-22)

February 19, 2008

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to List and Trade the Opta Exchange-Traded Notes due 2038

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 February 19, 2008, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”), through its wholly owned subsidiary, NYSE Arca Equities, Inc. (“NYSE Arca Equities”), filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. NYSE Arca filed the proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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

The Exchange proposes to list and trade the Opta Exchange-Traded Notes due 2038 (“Notes”). The Notes are linked to the S&P Listed Private Equity Index® Net Return (U.S. dollar) (“Index”). The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and www.nyse.com.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

In its filing with the Commission, the Exchange included statements concerning the 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. The Exchange 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

The Exchange proposes to list and trade the Notes, which are linked to the Index, pursuant to NYSE Arca Equities Rule 5.2(j)(6).⁵ The Notes are senior unsecured debt obligations of Lehman Brothers Holdings Inc. (“Lehman”). The Index is comprised of stocks of the 30 leading listed private equity companies that meet certain size, liquidity, exposure, and activity requirements (each an “Index Component” and, collectively, the “Index Components”). The Index is designed to provide tradable exposure to the leading publicly-listed companies in the private equity sector. The Index includes North American, European, and Asia-Pacific region private equity stocks that are trading on developed market exchanges.

The Exchange submits this proposed rule change because the Index does not meet all of the “generic” listing requirements of NYSE Arca Equities Rule 5.2(j)(6)(B)(I) applicable to the listing of Equity Index-Linked Securities.⁶ The Index meets all such requirements, except for

⁵ NYSE Arca Equities Rule 5.2(j)(6) sets forth the Exchange’s generic listing standards for, among others, Equity Index-Linked Securities, which are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes of equity securities. See NYSE Arca Equities Rule 5.2(j)(6).

⁶ The generic listing requirements under NYSE Arca Equities Rule 5.2(j)(6)(B)(I) permit the listing and trading of Equity Index-Linked Securities pursuant to Rule 19b-4(e) under the Act (17 CFR 240.19b-4(e)). Rule 19b-4(e) provides that the listing and trading of a new derivative securities product by a self-regulatory organization (“SRO”) shall not be

those set forth in NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(ii).⁷ The Exchange represents that: (1) except for NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(ii), the Notes currently satisfy all of the generic listing standards under NYSE Arca Equities Rule 5.2(j)(6); (2) the continued listing standards under NYSE Arca Equities Rules 5.2(j)(6) shall apply to the Notes; and (3) Lehman is required to comply with Rule 10A-3 under the Act⁸ for the initial and continued listing of the Notes. In addition, the Exchange represents that the Notes will comply with all other requirements applicable to Equity Index-Linked Securities including, but not limited to, requirements relating to the dissemination of key information (e.g., the Index value and intraday indicative value), Exchange rules governing the trading of equity securities, trading hours, trading halts, surveillance, and Information Bulletin to ETP Holders, as set forth in prior Commission orders approving the generic listing rules, and amendments thereto, applicable to the listing and trading of Index-Linked Securities, generally, and Equity Index-Linked Securities, in particular.⁹

deemed a proposed rule change, pursuant to Rule 19b-4(c)(1), if the Commission has approved, pursuant to Section 19(b) of the Act, the SRO's trading rules, procedures, and listing standards for the product class that would include the new derivatives securities product, and the SRO has a surveillance program for the product class.

⁷ NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(ii) provides that each component security of the underlying index must have trading volume in each of the last six months of not less than 1,000,000 shares per month, except that for each of the lowest dollar-weighted component securities in the index that, in the aggregate, account for no more than 10% of the dollar weight of the index, the trading volume must be at least 500,000 shares per month in each of the last six months. The Exchange represents that, GIMV NV, a component security which represented 1.4% of the dollar weight of the Index as of January 31, 2008, had a trading volume of 461,498 shares in September 2007, which is below the 500,000 shares requirement.

⁸ 17 CFR 240.10A-3.

⁹ See, e.g., Securities Exchange Act Release Nos. 56637 (October 10, 2007), 72 FR 58704 (October 16, 2007) (SR-NYSEArca-2007-92) (approving conforming amendments to the generic listing standards for Equity Index-Linked Securities); 57132 (January 11, 2008), 73 FR 3300 (January 17, 2008) (SR-NYSEArca-2007-125) (approving amendments to

The Exchange states that detailed descriptions of the Notes, the Index (including the methodology used to determine the composition of the Index), fees, redemption procedures and payment at redemption, payment at maturity, taxes, and risk factors relating to the Notes will be available in the Registration Statement¹⁰ or on the Web site for the Notes (www.optaetn.com), as applicable.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that it has developed adequate trading rules, procedures, surveillance programs, and listing standards for the listing and trading of the Notes, which promote investor protection and the public interest. The Exchange notes that the Notes will be subject to all applicable requirements of NYSE Arca Equities Rule 5.2(j)(6), with the single exception as noted above.

B. Self-Regulatory Organization's Statement on Burden on Competition

the continued listing standards for Equity Index-Linked Securities); 56838 (November 26, 2007), 72 FR 67774 (November 30, 2007) (SR-NYSEArca-2007-118) (approving amendments relating to indexes underlying Equity Index-Linked Securities); and 56879 (December 3, 2007), 72 FR 69271 (December 7, 2007) (SR-NYSEArca-2007-110) (approving amendments to the initial listing and trading standards for Equity Index-Linked Securities).

¹⁰ See Pricing Supplement to Registration Statement filed by Lehman on February 14, 2008 (File No. 333-134553).

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

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 states that written comments on the proposed rule change were neither solicited nor received.

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

Because the foregoing proposed rule change: (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) by its terms does not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6) thereunder.¹⁴

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay so that the Exchange can list and trade the Notes immediately. The Exchange states that the proposed rule change does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition. The Exchange further believes that the

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to provide the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has fulfilled this requirement.

proposal is non-controversial because, although the Index fails to meet the requirements set forth in NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(ii) by a small amount, the Notes currently satisfy all of the other applicable generic listing standards under NYSE Arca Equities Rule 5.2(j)(6) and all other requirements applicable to Equity Index-Linked Securities, as set forth in prior Commission orders approving the generic listing rules, including amendments thereto, relating to the listing and trading of Index-Linked Securities, generally, and Equity Index-Linked Securities, in particular. The Exchange notes that it has developed adequate trading rules, procedures, surveillance programs, and listing standards for the listing and trading of the Notes.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest.¹⁵ Given that the Notes comply with all of NYSE Arca's generic listing standards for Equity Index-Linked Securities (except for narrowly missing the requirement of NYSE Arca Equities Rule 5.2(j)(6)(B)(I)(1)(b)(ii)), the listing and trading of the Notes by NYSE Arca does not appear to present any novel or significant regulatory issues or impose any significant burden on competition. For these reasons, the Commission designates the proposed rule change as operative upon filing.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning

¹⁵ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 Number SR-NYSEArca-2008-22 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-NYSEArca-2008-22. 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, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the 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-2008-22 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁶

Florence E. Harmon
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).