

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-56545; File No. SR-NYSEArca-2007-95)

September 27, 2007

Self-Regulatory Organizations; NYSEArca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rules 7.34 and 7.35

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 17, 2007, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”), through its wholly owned subsidiary, NYSE Arca Equities, Inc. (“NYSE Arca Equities” or “Corporation”), filed with the Securities and Exchange Commission (“Commission” or “SEC”) the proposed rule change as described in Items I, II and III below, which Items have been substantially prepared by the Exchange. NYSE Arca has designated this proposal pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(5)⁴ thereunder, 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, among other minor changes, to amend NYSE Arca Equities Rule 7.35 in order to reduce the Opening, Market Order, and Closing auction lock-out period to one minute. The text of the proposed rule change is available at the Exchange, the Commission’s Public Reference Room, and www.nyse.com.

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)(5).

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

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has substantially 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 amend NYSE Arca Equities Rule 7.35 in order to reduce the Opening, Market Order, and Closing Auction lock-out periods to one minute.⁵ The Exchange believes that compressing the lock-out periods will offer its Users⁶ greater order entry or cancellation flexibility and more informed market participation by allowing its Users to benefit from the dissemination of auction related information for an additional minute prior to the lock-out periods.

Opening Auction

Pursuant to NYSE Arca Rule 7.35(a)(4), Users are currently prevented from cancelling orders that are eligible for the Opening Auction in the last two minutes prior to the Opening Session until the conclusion of the Opening Auction. The Exchange proposes to reduce this freeze or lock-out period to one minute.

⁵ NYSE Arca Equities Rule 7.34(a) provides for three equities trading sessions on the Exchange: the Opening Session (4:00 a.m. to 9:30 a.m. Eastern Time (“E.T.”)), the Core Trading Session (9:30 a.m. to 4:00 p.m. E.T.), and the Late Trading Session (4:00 p.m. to 8:00 p.m. E.T.).

⁶ See NYSE Arca Rule 1.1(yy) for the definition of “User.”

Market Order Auction

Pursuant to NYSE Arca Rule 7.35(c)(2), Users are also currently prevented from entering certain orders for the final two minutes before the Opening Auction and the Start of the Exchange's Core Trading Session. Specifically, Market Orders and Auction-Only Limit Orders may not be entered on the same side as the imbalance between 6:28 am (Pacific Time) and the conclusion of the Market Order Auction. Also, Limited Price Orders not eligible for the Opening Session, Market Orders, Auction-Only Limit Orders, and Cleanup Orders may not be cancelled between 6:28 am (Pacific Time) and the conclusion of the Market Order Auction. The Exchange proposes herein to amend NYSE Arca Rule 7.35(c)(2)(A)(1)(iii) and NYSE Arca Rules 7.35(c)(2)(A)(2) & (3) to compress these freeze or lock-out periods to one minute. In addition, the Exchange proposes to amend NYSE Arca Rules 7.35(d)(1) & (2) in order to compress the lock-out periods governing the execution eligibility of Limit Price Orders and Market Orders entered before the Market Order Auction to one minute, from 6:28 am (Pacific Time) to 6:29 am (Pacific Time). Similarly, the Exchange proposes amending Rule 7.34(d)(1)(H) to permit Limit Price Orders designated for the Core Trading Session, entered for an additional minute up until 6:29 am (Pacific Time) (instead of 6:28 am Pacific Time), to participate in the Market Order Auction.

Closing Auction

Further, according to NYSE Arca Rule 7.35(e)(2)(B), Market-on-Close Orders and Limit-on-Close Orders may not be cancelled between 12:58 pm (Pacific Time) and the conclusion of the Closing Auction. In addition, according to NYSE Arca Rule 7.35(e)(2)(C), Market-on-Close Orders and Limit-on-Close Orders may not be entered on the same side as the imbalance between 12:58 pm (Pacific Time) and the conclusion of

the Closing Auction. The Exchange proposes to compress the lock-out periods for either entering or cancelling certain orders preceding the Closing Auction, as described above, from two minutes to one minute.

Exchange Traded Funds

The Closing Auction for Exchange Traded Funds (“ETFs”) commences at 1:15 pm (Pacific Time). Pursuant to NYSE Arca Rule 7.35(e)(3)(E), Closing Auctions for ETFs follow the same two-minute freeze or lock-out limitations described above. Specifically, Market-on-Close Orders and Limit-on-Close Orders may not be cancelled, and Market-on-Close Orders and Limit-on-Close Orders may not be entered on the same side as the imbalance between 1:13 pm (Pacific Time) and the conclusion of the Closing Auction.⁷ Consistent with the above described rule change pertaining to Closing Auctions, the Exchange proposes reducing this lock-out period to one minute.

By compressing the lock-out periods to one minute as described above, Users will benefit from the dissemination of auction related information for an additional minute resulting in greater order entry or cancellation flexibility and more informed market participation. The Exchange intends this system change to be effective on filing and operative on September 17, 2007.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ in particular,

⁷ Pursuant to telephone conversation between Hong-Anh Tran, Special Counsel, Division of Market Regulation, and Andrew Stevens, Assistant General Counsel, Exchange, dated September 19, 2007.

⁸ 15 U.S.C. 78f (b).

⁹ 15 U.S.C. 78f (b)(5).

because 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.

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 change.

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

Because the foregoing proposed rule change effects a change in an existing order-entry or trading system of a self-regulatory organization that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not have the effect of limiting the access to or availability of the system, it has become effective pursuant to Section 19(b)(3)(A)¹⁰ of the Act and Rule 19b-4(f)(5)¹¹ thereunder. At any time within 60 days of the filing of such 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.

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(5).

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 Number SR-NYSEArca-2007-95 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-2007-95. 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 am and 3:00 pm. 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-2007-95 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Florence E. Harmon
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).