

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54624; File No. SR-NYSE-2006-87)

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Rule 13 (Definitions of Orders)

October 18, 2006

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 October 16, 2006, the New York Stock Exchange LLC (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The proposed rule change has been filed by the NYSE as a “non-controversial” rule change under Rule 19b-4(f)(6) under the Act,³ 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 proposed rule change seeks to make a clarifying amendment to NYSE Rule 13 (“Definitions of Orders”) as it relates to Stop Limit Orders (P3) which was part of the pilot (“Pilot”)⁴ to put into operation certain rule changes pending before the Commission to coincide

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

⁴ See Securities Exchange Act Release No. 54578 (October 5, 2006), 71 FR 60216 (October 12, 2006) (SR-NYSE-2006-82).

with the Exchange's implementation of Phase 3 of the NYSE HYBRID MARKETSM ("Hybrid Market").⁵

The text of the proposed rule is available on the NYSE's Web site at <http://www.nyse.com>, at the NYSE's Office of the Secretary, and at the Commission's Public Reference Room.

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 and discussed any comments it received on the proposal. 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

On October 5, 2006, the Exchange proposed a Pilot to, among other things, make operative certain proposed modifications to Exchange Rules that are the subject of pending rule filings⁶ before the Commission to coincide with the Exchange's implementation of Phase 3 of

⁵ See Securities Exchange Act Release No. 53539 (March 22, 2006), 71 FR 16353 (March 31, 2006) (SR-NYSE-2004-05).

⁶ See Securities Exchange Act Release Nos. 54504 (September 26, 2006), 71 FR 57011 (NYSE-2006-76) (Notice) (proposing to amend the specialist stabilization requirements set forth in Exchange Rule 104.10) ("Stabilization Filing"); 54520 (September 27, 2006), 71 FR 57590 (September 29, 2006) (NYSE-2006-65) (Notice) (proposing to amend several Exchange Rules to clarify certain definitions and systemic processes) ("Omnibus Filing"); and SR-NYSE-2006-73 (filed on September 13, 2006) (proposing to amend Exchange Rule 127 which governs the execution of a block cross transaction at a price outside the prevailing NYSE quotation) ("Block Cross Filing").

the Hybrid Market. The Pilot commenced following Commission approval, on October 5, 2006 and is scheduled to terminate on the close of business October 31, 2006.⁷

Pursuant to the Pilot, the Exchange proposed the elimination of Stop Limit orders as an acceptable order type on the Exchange in securities that are subject to the Pilot. The Exchange seeks to clarify that the elimination of Stop Limit orders during the Pilot relates to all securities on the Exchange. Accordingly, the Exchange seeks to amend NYSE Rule 13(P3) Stop Limit Orders to state that Stop Limit orders are not a valid order type for all securities traded on the Exchange commencing October 16, 2006 and continuing during the Hybrid Phase 3 Pilot.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1),¹⁰ in that it seeks to assure economically efficient execution of securities transactions.

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.

⁷ See supra note 4.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78k-1(a)(1).

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. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The proposed rule change has been filed by the Exchange as a “non-controversial” rule change pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6), thereunder.¹² Because the forgoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; (iii) become operative for 30 days after the date of its filing, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, provided that the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, as least five business days prior to the date of filing of the proposed rule change, or shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6), thereunder.¹⁴

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

The Exchange requests that the Commission waive the five-day pre-filing notice requirement and the 30-day delayed operative date of Rule 19b-4(f)(6)(iii). Under Rule 19b-4(f)(6)(iii), a proposed “non-controversial” rule change does not become operative for 30 days after the date of filing, unless the Commission designates a shorter time.

The Commission believes that the waiving the 30-day operative delay is consistent with the protection of investors and the public interest.¹⁵ The Exchange has decided to eliminate the Stop Limit order type because it is no longer used. The Exchange represented that it had notified members that this order type would no longer be accepted as of October 16, 2006 to coincide with other changes that are being implemented in the Pilot. To minimize confusion as to acceptable order types, the Exchange has proposed to eliminate stop limit orders in all securities, not just securities eligible for the Pilot. Accordingly, the Commission believes it is consistent with the protection of investors and the public interest to implement this change immediately.

The Commission designates the proposed rule change to be effective and operative upon its filing with the Commission. The Commission also waives the five-business day pre-filing requirements. As 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.

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:

¹⁵ For the purposes only of accelerating the operative day of this proposal, the Commission has considered the proposed rules impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2006-87 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NYSE-2006-87. 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 will also be available for inspection and copying at the principal office of the NYSE. 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-NYSE-2006-87 and should be submitted on or before [insert date 21 days from date of publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Nancy N. Morris
Secretary

¹⁶ 17 CFR 200.30-3(a)(12).