

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57841; File No. SR-NYSE-2008-26)

May 20, 2008

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend NYSE Rule 412 to Conform to FINRA Incorporated Versions of NYSE Rule 412

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on April 2, 2008, the New York Stock Exchange LLC (“NYSE”) 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 NYSE. The NYSE filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act² and Rule 19b-4(f)(6)³ thereunder so that the proposal was 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 NYSE proposes to amend NYSE Rule 412 (Customer Account Transfer Contracts) to make the time frames in the rules for validating or taking exception to an instruction to transfer a customer’s securities account consistent with the time frames in the Automated Customer Account Transfer Service (ACATS) of the National Securities Clearing Corporation (“NSCC”) and to make the NYSE’s version of Rule 412 consistent with the recently approved amendments filed by the Financial Industry Regulatory Authority, Inc. (“FINRA”) to its incorporated version of NYSE Rule 412.⁴

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A).

³ 17 CFR 240.19b-4(f)(6).

⁴ Supra note 5 and accompanying text.

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 NYSE 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 those statements may be examined at the places specified in Item IV below. The NYSE has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant parts of such statements.⁵

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

1. Purpose

On July 30, 2007, NASD and NYSE Regulation, Inc. consolidated their member firm regulation operations into a combined organization, FINRA.⁶ Pursuant to FINRA's new regulatory responsibilities, FINRA amended FINRA's incorporated NYSE Rule 412 (Customer Account Transfer Contracts) to make the time frames in the rule for validating or taking exception to an instruction to transfer a customer's securities account consistent with those of

⁵ The Commission has modified the text of the summaries prepared by the NYSE.

⁶ Pursuant to Rule 17d-2 under the Exchange Act, NYSE, NYSE Regulation, Inc., and NASD entered into an agreement (the "17d-2 Agreement") to reduce regulatory duplication for firms that are members of FINRA and also members of NYSE on or after July 30, 2007 ("Dual Members"), by allocating to FINRA certain regulatory responsibilities for selected NYSE rules. The 17d-2 Agreement includes a list of all of those rules ("Common Rules") for which FINRA has assumed regulatory responsibilities. See Securities and Exchange Act Release No. 56148 (July 26, 2007), 72 FR 42146 (August 1, 2007) (Notice of Filing and Order Approving and Declaring Effective a Plan for the Allocation of Regulatory Responsibilities). The Common Rules are NYSE rules that FINRA has incorporated into its rulebook. Securities Exchange Act Release No. 56417 (July 26, 2007), 72 FR 42166 (August 1, 2007) (Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Incorporate Certain NYSE Rules Relating to Member Firm Conduct) [SR-NASD-2007-054]. Paragraph 2(b) of the 17d-2 Agreement sets forth procedures regarding proposed changes by either NYSE or FINRA to the substance of any of the Common Rules.

NSCC's ACATS.⁷ In order to maintain Rule 412 as a Common Rule, the NYSE is proposing to amend its version of Rule 412 to conform it to the recently approved changes to FINRA's incorporated version of NYSE Rule 412.

2. Statutory Basis

The NYSE believes the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act,⁸ in that it is designed to prevent fraudulent and manipulative practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanisms of, a free and open market and a national market system, and, in general, to protect investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The NYSE does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed (i.e., May 2, 2008), or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, it

⁷ Securities and Exchange Act Release No. 56677 (October 19, 2007), 72 FR 60699 (October 25, 2007) [SR-FINRA-2007-05].

⁸ 15 U.S.C. 78f(b)(5).

has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰ 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 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-NYSE-2008-26 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-NYSE-2008-26. 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

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6). The Commission is waiving the five-day pre-filing notice requirement in order for the NYSE to ensure that Rule 412 maintains its status as a Common Rule under the 17d-2 Agreement.

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. The text of the proposed rule change is available at the NYSE, the Commission's Public Reference Room, and

[http://apps.nyse.com/commdata/pub19b4.nsf/docs/E40ACA575EFD517085257420005CC603/\\$FILE/NYSE-2008-26.pdf](http://apps.nyse.com/commdata/pub19b4.nsf/docs/E40ACA575EFD517085257420005CC603/$FILE/NYSE-2008-26.pdf). 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-2008-26 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.¹¹

Florence E. Harmon
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).