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February 11, 2005

Catherine McGuire, Esq.
Chief Counsel
Division of Market Regulation
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Foreign Statutory Disqualification Issues

Dear Ms. McGuire:

The New York Stock Exchange, Inc. ("NYSE") is seeking assurances from the staff of the Division of Market Regulation ("Staff") of the Securities and Exchange Commission ("Commission") that the Staff will not recommend enforcement action to the Commission if the NYSE does not file a notice with the Commission of proposed admission or continuance pursuant to Rule 19h-1(a) ("Rule 19h-1 notice") under the Securities Exchange Act of 1934 ("Act"), notwithstanding a statutory disqualification (as defined in Section 3(a)(39) of the Act) consisting of a finding by a foreign financial regulatory authority specified in Sections 15(b)(4)(G)(ii) or (iii) of the Act.

From time to time, as a result of actions taken by foreign financial regulatory authorities, associated person entities (i.e., not natural persons) of NYSE member-organizations become subject to a statutory disqualification under Section 3(a)(39)'s incorporation of Sections 15(b)(4)(G)(ii) and (iii). The respective associated person entities do not control, nor are they controlled by, the NYSE member-organization, but instead are associated with the member-organizations through a commonly controlling parent organization (such associated person entities, "Related Entities").

As you know, a Rule 19h-1 notice is not required under Rule 19h-1(a)(3)(ii)(B) if the statutory disqualification consists of a finding by the Commission or a self-regulatory organization of a willful violation "and the sanction for such violation is no longer in effect." We believe that similar relief from the Rule 19h-1(a) notice requirement is appropriate where a Related Entity's statutory disqualification consists of a finding by a

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foreign financial regulatory authority specified in Sections 15(b)(4)(G)(ii) or (iii)¹ and the sanction related to such finding is no longer in effect (i.e., the sanction has been paid or served). Accordingly, we are seeking no-action relief from the Rule 19h-1(a) notice requirement in such circumstances.²

Similarly, we are seeking assurances that the Staff will not recommend enforcement action to the Commission if the NYSE does not file a Rule 19h-1 notice where a statutory disqualification of a natural person associated, or seeking to become associated, with an NYSE member-organization consists of a finding by a foreign financial regulatory authority specified in Sections 15(b)(4)(G)(ii) and (iii) and the sanction related to such finding is no longer in effect, provided that the natural person does not conduct, nor intends to conduct, any securities business within, or directed toward, persons in the United States or identifiable groups of U.S. citizens resident abroad.

¹ A person is subject to a statutory disqualification under Section 3(a)(39)(F)'s incorporation of clauses (ii) and (iii) of Section 15(b)(4)(G) if such person "is subject to" a finding by a foreign financial regulatory authority of:

(1) a violation of "any foreign statute or regulation regarding transactions in securities, or contracts of sale of a commodity for future delivery, traded on or subject to the rules of a contract market or any board of trade;"

(2) "aid[ing], abett[ing], counsel[ing], command[ing], induc[ing], or procur[ing] the violation by any person of any provision of any statutory provisions enacted by a foreign government, or rules or regulations thereunder, empowering a foreign financial regulatory authority regarding transactions in securities, or contracts of sale of a commodity for future delivery, traded on or subject to the rules of a contract market or any board of trade;" or

(3) "fail[ing] reasonably to supervise, with a view to preventing violations of such statutory provisions, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision."

² As discussed, this request extends to four Related Entities cases in process as of the date of this letter.

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The staff of the NYSE would be happy to further discuss this issue with you. Any questions should be addressed to myself at the above telephone number or Peggy Germino at (212) 656-8450.

Sincerely,

A handwritten signature in black ink, appearing to be "Gul", written in a cursive style.

cc: Sue Light, NYSE
M. Rufino, NYSE
M. Menchel, NASD

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