

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57006; File No. SR-NYSE-2007-116)

December 20, 2007

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by the New York Stock Exchange LLC Relating to NYSE Rule 300 (Trading Licenses)

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 December 18, 2007, the New York Stock Exchange, Inc. (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule changes as described in Items I, II, and III below, which items have been substantially prepared by the NYSE. NYSE has designated the proposed rule change as one establishing or changing a due, fee, or other charge, pursuant to Section 19b(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) 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 is proposing to: (i) amend NYSE Rule 300 (Trading Licenses) to charge an annualized rate of \$40,000 per trading license purchased during the annual offering; and (ii) reinstate the fee related to the approval of a pre-qualified substitute employee.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

The text of the proposed rule change is available on the Exchange's Web site (<http://www.nyse.com>), at the Exchange'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 proposed rule change. The text of these 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 aspects of such statements.

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

1. Purpose

Through this filing, the Exchange seeks to amend section (b) of NYSE Rule 300 to charge a fixed price of \$40,000 for each trading license purchased in the annual offering for the following calendar year and make conforming changes to section (d) of the rule which pertains to trading licenses purchased after the annual offering. The Exchange further proposes to create subsection (b)(i) to NYSE Rule 300 to provide that a member organization that wishes to maintain for the following calendar year the same number of trading licenses that they currently hold will be charged the fixed price of \$40,000 per trading license by the Exchange.

Additionally, the Exchange proposes to reinstate the fee related to the approval of a pre-qualified substitute employee.

Currently, section (b) of NYSE Rule 300 provides that in each annual offering, up to 1366 trading licenses for the following calendar year are to be sold at the fixed price of \$50,000

per trading license. Section (d) of the rule governs the sale of trading licenses any time after the annual offering. It provides that the Exchange will sell additional trading licenses expiring at the end of the calendar year at a price of \$55,000, prorated for the time remaining in the year. The price of \$55,000 encompasses a premium of \$5,000 or 10% above the fixed price of \$50,000. No additional trading licenses will be sold by the Exchange if such sale would cause the number of trading licenses to exceed 1366.

The Exchange proposes to amend section (b) of the rule to reduce the fixed price from \$50,000 to \$40,000. Proposed section (b) of the rule will now provide that in each annual offering, up to 1366 trading licenses for the following calendar year will be sold annually at a price of \$40,000 per trading license. The Exchange also proposes to create a new subsection (b)(i) to state that a member organization that holds a number of trading licenses in the current calendar year and wishes to maintain that same number of trading licenses in the following calendar year shall be presumed to have applied for the same number of trading licenses that it currently holds and will be charged by the Exchange the fixed price of \$40,000 per trading license pursuant to section (b) and subject to the provisions of section (c) of the rule.⁵ Thus, a member organization that holds 5 trading licenses in the calendar year 2007 and wishes to maintain 5 trading licenses in calendar year 2008 will be charged \$40,000 per trading license for the 5 trading licenses.⁶ Should the member organization subsequently decide to purchase additional trading licenses, section (d) of the rule as proposed will apply.

⁵ Section (c) of the rule describes the allocation process of trading licenses among member organizations during the annual offering.

⁶ The Exchange has filed separately to amend NYSE Rule 325 to eliminate the requirement of section (e) which requires any member organization that employs individuals to execute orders on the Exchange Floor provide evidence of financial responsibility in the amount of \$100,000 for each such individual. See SR-NYSE-2007-108.

The Exchange further seeks to make a conforming amendment to section (d) to adjust the fixed price and then calculate the appropriate premium accordingly. Proposed section (d) of the rule will therefore be amended to state that after the annual offering and anytime thereafter during the following calendar year, the Exchange shall sell additional trading licenses at a price of \$44,000. The \$44,000 reflects a premium \$4,000 which is 10% above the fixed price of \$40,000 per trading license, pro-rated to reflect the portion of the year during which the trading license will be outstanding. The Exchange will not sell additional licenses if such sale would cause the number of licenses to exceed 1366.

On or about October 2007,⁷ the Exchange filed with the Securities and Exchange Commission (“Commission”) an amendment to the Exchange’s 2007 Price List to waive for the remainder of 2007, effective retroactively on September 1, 2007, the \$5,000 fee with respect to the approval of a pre-qualified substitute employee.⁸

Prior to the waiver of this fee in September 2007, the \$5,000 fee was billed to the member organization who was the new employer of (i) any new member or pre-qualified substitute not transferring from another member organization, (ii) any approved member who changes employment and continues as a member with that member organization, or (iii) any pre-qualified substitute who changes employment and continues as a pre-qualified substitute with that member organization. This fee reflects the costs to the Exchange of processing such new memberships or transfers including checking that the member organization has a license for its new employee or approving the purchase of a license, ensuring that the member is not subject to

⁷ See Securities Exchange Act Release No. 56607 (October 3, 2007), 72 FR 57624 (October 10, 2007) (SR-NYSE-2007-91).

⁸ According to SR-NYSE-2007-91, a pre-qualified substitute employee is an employee of a member organization who has been approved to work on the Exchange trading floor and can be assigned to work on the trading floor at anytime that the member organization has a trading license available for use.

any regulatory restriction, checking that the member's new employer has put in place the required financial guarantee, and issuing or resetting the member's badge and handheld.

The Exchange proposes through this filing to re-instate this fee in its entirety starting in the calendar year 2008. Although this proposed rule change is immediately effective, the re-instatement of this fee will not be implemented until January 1, 2008. The price and the terms of the \$5,000 fee will remain the same.

2. Statutory Basis

The Exchange believes that the basis for the proposed rule change is the requirement under Section 6(b)(4) of the Act⁹ that an exchange have rules that provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)¹⁰ of the Act and subparagraph (f)(2)¹¹ thereunder because it establishes or changes a due, fee, or other

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

charge. 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-2007-116 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-2007-116. 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 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-NYSE-2007-116 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.¹²

Florence E. Harmon
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).