

is no regulatory reason to distinguish Tape A transactions on NSTS from Tape A transactions on NSX BLADE, and is therefore proposing an equivalent rebate program. As with the Exchange's other tape rebate programs, to the extent that market data revenue from Tape A transactions is subject to any adjustment, credits provided under the Tape A program may be adjusted accordingly.

The Exchange believes the proposed rule change is consistent with the protection of investors and the public interest because it lowers the cost of trading and market data to broker-dealers and the investing public, and because it enhances competition in the trading of Tape A securities.

2. Statutory Basis

NSX believes that the proposed rule change is consistent with the provisions of Section 6(b) of the Act,⁸ in general, and with Section 6(b)(4) of the Act,⁹ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges by crediting members on a pro rata basis.

B. Self-Regulatory Organization's Statement on Burden on Competition

NSX does not believe that the proposed rule change will impose any inappropriate burden on competition.

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 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, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹ 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.

The Exchange has asked that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) under the Act.¹² The Commission believes waiver of the 30-day operative delay is consistent with the protection of investors and the public interest, because the proposed rule change contains no novel regulatory issues, and is designed to enhance competition in the trading of Tape A securities. Accordingly, the Commission designates the proposed rule change to be effective and operative upon filing with the Commission.¹³

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-NSX-2007-02 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-NSX-2007-02. 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 also will be available for inspection and copying at the principal office of NSX. 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-NSX-2007-02 and should be submitted on or before April 23, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55524; File No. SR-NSX-2007-03]

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Fees for Transactions Executed Through NSX BLADE and ITS Plans Priced at Less Than \$1.00 Per Share

March 26, 2007.

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 March 2, 2007, the National Stock Exchange, Inc. ("NSX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by the Exchange. NSX has filed the proposal pursuant to Section 19(b)(3)(A) 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.

¹² 17 CFR 240.19b-4(f)(6)(iii).

¹³ For purposes only of waiving the 30-day operative delay of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁴ 17 CFR 200.30-3(a)(12).

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)(2).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is proposing changes to its fees for transactions priced at less than \$1.00 per share that are executed through NSX BLADE, the Exchange's new trading platform. These changes are being proposed in order to comply with Rule 610(c) of Regulation NMS under the Act. The Exchange is also proposing corresponding changes to its Fee Schedule applicable to transactions under the Intermarket Trading System Plan and/or the Plan for the purpose of Creating and Operating an Intermarket Communications Linkage ("ITS Plans") for transactions executed through the ITS Plans ("ITS Transactions"). The text of the proposed rule change is available at NSX, the Commission's Public Reference Room, and <http://www.nsx.com>.

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

In its filing with the Commission, NSX 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. NSX 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

The Exchange has created a new state of the art trading platform, known as NSX BLADE, which utilizes a strict price/time priority system as the ultimate replacement for the Exchange's legacy system, National Securities Trading System ("NSTS"). Pursuant to Exchange Rule 16.1(a), the Exchange maintains a Fee Schedule that contains its current fees, dues and other charges applicable to transactions in NSX BLADE ("NSX BLADE Fee Schedule").

Currently, the NSX BLADE Fee Schedule provides for an execution fee of \$0.0030 per share for removing liquidity from NSX BLADE (in other words, a charge for taking liquidity against an order in NSX BLADE), and a rebate of \$0.0030 per share executed for adding liquidity into NSX BLADE (in other words, a rebate for the addition of liquidity to NSX BLADE, provided that it results in an execution through NSX

BLADE). Thus, ETP Holders taking liquidity against an order in NSX BLADE are currently charged a fee of \$0.0030 per share executed, and ETP Holders providing liquidity into NSX BLADE are currently paid a rebate of \$0.0030 per share executed.

Rule 610(c)(2) of Regulation NMS⁵ generally requires that the fees charged by a trading center for execution of an order against a quotation of less than \$1.00 per share cannot exceed or accumulate to more than 0.3% of the quotation price per share. In order to comply with this rule, the Exchange is proposing a 0.3% per share liquidity taker fee and a 0.3% per share liquidity provider rebate for transactions that are priced at less than \$1.00 per share. This fee and rebate structure would be in lieu of the \$0.0030 per share liquidity taker fee and the \$0.0030 liquidity provider rebate described above. In other words, for transactions that are priced at less than \$1.00 per share, ETP Holders would be charged 0.3% of the price per share for taking liquidity against an order in NSX BLADE, and would receive a rebate of 0.3% of the price per share for the addition of liquidity to NSX BLADE, provided that it results in an execution through NSX BLADE. For example, if a transaction was executed on NSX BLADE for 100 shares at \$0.50 per share, any liquidity taker fee or liquidity provider rebate applicable to the transaction would be equal to \$0.15 ($\$0.50 \times 0.3\% \times 100$).

In addition, changes are being proposed to the Fee Schedule for ITS Transactions, to provide for a corresponding 0.3% per share liquidity taker fee for ITS Transactions executed through NSX BLADE that are priced at less than \$1.00 per share. ETP Holders taking liquidity from NSX BLADE will be charged under the NSX BLADE Fee Schedule, and executions on NSX BLADE through an ITS Plan will be charged under the Fee Schedule for ITS Transactions (although the rates of the two execution fees are identical). The Exchange bills non-ETP Holders using the facilities of the Exchange for ITS Transactions under the Fee Schedule for ITS Transactions.

In connection with this rule change, language is also proposed to be added to the NSX BLADE Fee Schedule stating that with respect to ITS Transactions executed through NSX BLADE, the Exchange will pay the applicable liquidity provider rebate (\$0.0030 per share or 0.3% per share, depending on the execution price) only after it receives payment of the liquidity taker fee applicable to the execution.

⁵ 17 CFR 242.610(c)(2).

Pursuant to NSX Rule 16.1(c), the Exchange will "provide ETP Holders with notice of all relevant dues, fees, assessments and charges of the Exchange." ETP Holders and others, including self-regulatory organizations that are the subject of exchange-to-exchange billing, using the Exchange will be advised of these fees through the Exchange's website. In addition, ETP Holders will, simultaneously with this filing, be notified through the issuance of a Regulatory Circular of the changes to the Fee Schedules applicable to transactions through NSX BLADE and the ITS Plans.

The fees have been designed in this manner in order to ensure that the Exchange can continue to fulfill its obligations under the Act.

2. Statutory Basis

NSX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁶ in general, and with Sections 6(b)(4) of the Act,⁷ in particular, in that the proposal provides for the equitable allocation of reasonable dues, fees, and other charges.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in 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

Written comments were neither solicited nor received.

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) of the Act⁸ and subparagraph (f)(2) of Rule 19b-4 thereunder⁹ because it establishes or changes a due, fee, or other charge applicable only to a member imposed by the self-regulatory organization. Accordingly, the proposal is effective upon Commission receipt of the filing. 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

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2).

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-NSX-2007-03 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-NSX-2007-03. 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 the filing also will be available for inspection and copying at the principal office of NSX. 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-NSX-2007-03 and should be submitted on or before April 23, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55528; File No. SR-NYSE-2007-28]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change To Exempt Limited Partnerships From Certain of Its Shareholder Approval Rules

March 26, 2007.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 (the "Act"),² and Rule 19b-4 thereunder,³ notice is hereby given that on March 9, 2007, New York Stock Exchange LLC (the "NYSE" or the "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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Listed Company Manual (the "Manual") to exempt limited partnerships from the obligation to obtain shareholder approval under the circumstances set forth in Sections 312.03(b), (c), and (d) for the issuance of common stock and securities convertible into or exchangeable for common stock.⁴

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

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ NYSE-listed limited partnerships would still be subject to the Exchange's shareholder approval requirements for equity compensation plans. See NYSE Listed Company Manual Sections 303A.08 and 312.03(a).

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

The Exchange proposes to exempt limited partnerships from the obligation to obtain shareholder approval under the circumstances set forth in Manual Sections 312.03(b), (c), and (d) for the issuance of common stock and securities convertible into or exchangeable for common stock.⁵

Subject to certain exceptions specified therein, Manual Sections 312.03(b), (c), and (d) require listed issuers to obtain shareholder approval prior to the issuance of common stock or securities convertible into or exchangeable for common stock in any transaction or series of related transactions in the following situations:

- Where the potential dilution exceeds either one percent of the number of shares of common stock or one percent of the voting power outstanding before the issuance to: (a) a director, officer or substantial security holder of the company (each a "Related Party"); (b) a subsidiary, affiliate or other closely-related person of a Related Party; or (c) any company or entity in which a Related Party has a substantial direct or indirect interest.

- If the Related Party involved in a transaction covered by the preceding bullet is classified as such solely because such person is a substantial security holder, and if the issuance relates to a sale of stock for cash at a price at least as great as each of the book and market value of the issuer's common stock, then shareholder approval will not be required unless the number of shares of common stock to be issued, or unless the number of shares of common stock into which the securities may be convertible or exercisable, exceeds either five percent of the number of shares of common stock or five percent of the voting power outstanding before the issuance.

- If: (a) the common stock has, or will have upon issuance, voting power equal to or in

⁵ See *supra* note 4.