

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 a.m. and 3 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-2008-56 and should be submitted on or before September 2, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Florence E. Harmon,**

*Acting Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-58303; File No. SR-NYSE-2008-62]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Eliminate Sections 305 and 308 and the Shareholder Rights Provisions of Section 314 of the Listed Company Manual

August 4, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 28, 2008, the New York Stock Exchange LLC (the "NYSE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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 proposes to eliminate Sections 305 ("Concentration of Voting Power") and 308 ("Defensive Tactics") and the shareholder rights provisions of Section 314 ("Special Rights of Certain Shareholders") of the Exchange's Listed Company Manual (the "Manual"). 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. 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

The Exchange proposes to eliminate from its Manual Sections 305 ("Concentration of Voting Power") and 308 ("Defensive Tactics") and the shareholder rights provisions of Section 314 ("Special Rights of Certain Shareholders"). Section 305 provides that, while a significant concentration of a company's common stock in one holding is not a bar to listing, the Exchange will consider the existence of such a concentrated position in rendering a decision to list that company. Section 308 deals with provisions that discriminate among shareholders or nullify or reduce the voting power of common stockholders. Section 314 expresses the Exchange's concern about the existence of special rights limited to one shareholder or a group of shareholders, such as the right to sell stock back to the company or preemptive rights (*i.e.*, the right to purchase stock from the company at the time of any sale to any other party, so as to maintain that shareholder's proportionate interest in the company).<sup>3</sup>

The Exchange proposes to retain the related party transaction policy of Section 314. However, the Exchange proposes to delete that part of Section 314 which pertains to shareholder rights, as well as the entirety of Sections 305 and 308. The provisions that the Exchange proposes to eliminate each embody Exchange policies in relation to shareholder rights. As such, the Exchange believes that these rules no longer serve any purpose as they are superseded by the Exchange's shareholder rights policy as set forth in Section 313.

In 1994, at the suggestion of then SEC chairman Arthur Levitt, the NYSE, the American Stock Exchange (the "Amex") and NASD each agreed to adopt a uniform policy (the "Uniform Voting Rights Policy") with respect to the voting rights of common stockholders.<sup>4</sup> The NYSE adopted the Uniform Voting Rights Policy as an amendment to the Exchange's existing voting rights policy, Section 313 of the Manual. The NYSE adopted Section 313 in its earlier form in 1989,<sup>5</sup> intending that it would constitute the Exchange's only voting rights policy. To that end, the Exchange included in its filing in relation to the adoption of Section 313 a proposal to eliminate Section 308 of the Manual on the basis that it dealt with the same sorts of issues as Section 313 and was therefore redundant and superseded by Section 313. In approving Section 313 in 1989, the SEC stated that it was "still reviewing [the Section 308] portion of the proposal" and was therefore not approving the elimination of Section 308 at that time.

When the exchanges adopted the Uniform Voting Rights Policy, it was the Commission's stated intention that it would result in a uniform industry-wide approach to voting rights issues. In light of this philosophical approach, the Exchange has long believed that Sections 305, 308 and the shareholder rights provisions of Section 314 have been superseded by the Uniform Voting Rights Policy and that it is appropriate to consider shareholder rights issues solely in the context of Section 313. In the Exchange's experience, the continued presence of these provisions in the Manual causes occasional confusion among issuers and their

transactions. The Exchange does not propose to eliminate these provisions in this filing. However, the Exchange is making some nonsubstantive changes to these provisions.

<sup>4</sup> See Securities Exchange Act Release No. 35121 (December 19, 1994), 59 FR 66570 (December 27, 1994) (SR-NYSE-94-20).

<sup>5</sup> See Securities Exchange Act Release No. 27554 (December 20, 1989), 54 FR 53227 (December 27, 1989) (SR-NYSE-89-16).

<sup>7</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Section 314 also states an Exchange policy that an appropriate body within the company should examine the appropriateness of related party

counsel, raising concerns among issuers as to whether they are fully in compliance with Exchange rules even in the context of Exchange advice that their provisions do not violate Section 313. This can be problematic in particular in relation to companies that are considering transferring their listing from Nasdaq or the Amex, where those companies are experienced with dealing with the Uniform Voting Rights Policy as the sole authority in the shareholder rights area.

The Exchange believes that it is appropriate to eliminate Sections 305, 308 and the shareholder rights provisions of Section 314. Their continued existence is inconsistent with the intention that the Uniform Voting Rights Policy should be the sole controlling authority in the area of shareholder rights and the existence of this discrepancy between the Exchange and its competitors places the Exchange at a competitive disadvantage. The Exchange notes that neither Nasdaq nor the Amex has comparable rules to Sections 305, 308 and the shareholder rights provisions of Section 314. As such, the proposed elimination of these provisions is consistent with the philosophy that the Uniform Voting Rights Policy represents a common approach to shareholder rights across all of the major markets. It also eliminates a potential competitive advantage [sic] that the NYSE currently faces in competing for listings. Furthermore, the Exchange's experience with the Uniform Voting Rights policy is that it has been a successful mechanism for the prevention of abuses of shareholder rights. As such, the Exchange believes that the elimination of Sections 305, 308 and the shareholder rights provisions of Section 314 will not diminish the protections against such abuses currently afforded to listed company shareholders.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>6</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest. The proposed rule change promotes the mechanism of a free and open market by fully conforming the shareholder rights policies of the Exchange to those of Nasdaq and the Amex, eliminating a

potential competitive disadvantage in competing for listings. The Exchange believes that the proposed amendment is consistent with the protection of investors and the public interest as the Exchange's continued application of the Uniform Voting Rights Policy will continue to provide significant protections with respect to shareholder rights.

### *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*

Written comments were neither solicited nor received.

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

Because the proposed rule change: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and Rule 19b-4(f)(6) thereunder.<sup>8</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>9</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>10</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The NYSE has requested that the Commission waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it would allow the

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6). Pursuant to Rule 19b-4(f)(6)(iii) under the Act, the Exchange is required to give 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, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied the five-day pre-filing requirement.

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

<sup>10</sup> 17 CFR 240.19b-4(f)(6)(iii).

NYSE to immediately conform its shareholder voting rights rules to those of other exchanges by eliminating voting rights provisions that other exchanges do not have. The Commission believes that this should eliminate a potential competitive disadvantage that the NYSE currently faces in competing for listings. However, the Commission notes that the NYSE's current Uniform Voting Rights Policy should continue to provide important protections with regard to shareholder rights. For these reasons, the Commission designates that the proposed rule change become operative immediately.<sup>11</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate the 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2008-62 on the subject line.

### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2008-62. 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

<sup>11</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

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, on official business days between the hours of 10 a.m. and 3 p.m. Copies of the 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-2008-62 and should be submitted on or before September 2, 2008.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Florence E. Harmon,**

*Acting Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-58290; File No. SR-NYSE-2008-70]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Amending Rules Governing Membership in Order To Waive-In Members in Good Standing of the American Stock Exchange LLC as Members and Member Organizations of the Exchange

August 1, 2008.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 30, 2008, the New York Stock Exchange LLC (the "NYSE" or the "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 prepared by the Exchange. 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 proposes to amend rules governing membership in order to waive-in members in good standing of the American Stock Exchange LLC as members and member organizations of the Exchange. The text of the proposed rule change is available at the NYSE's principal office, the Commission's Public Reference Room, and <http://www.nyse.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, the self-regulatory organization 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 Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

###### 1. Purpose

In connection with the acquisition by NYSE Euronext of The Amex Membership Corporation, including the relocation of all equities trading conducted on or through the existing systems and facilities of the American Stock Exchange LLC ("Amex") to the trading systems and facilities operated by the NYSE (the "Equities Relocation"), the NYSE proposes to amend Rules 2, 300, and 304A in order to provide that all NYSE Alternext U.S. LLC ("NYSE Alternext") member organizations and members in good standing are deemed qualified and approved as NYSE member organizations or members.

##### Background

###### NYSE Alternext Transaction

On January 17, 2008, the Amex Membership Corporation and NYSE Euronext entered into an Agreement and Plan of Merger ("Merger Agreement") whereby, through a series of mergers, NYSE Euronext will acquire Amex, and, as a result of these mergers, Amex will become one of the U.S. wholly-owned subsidiaries of NYSE Group and will be

renamed NYSE Alternext U.S. LLC (the "Mergers").<sup>3</sup>

As described more fully in the Merger Transaction filing, in connection with the Mergers, Amex proposes to demutualize by separating all trading rights from equity ownership in Amex. As part of the demutualization, those persons who were previously Amex Regular Members or Options Principal Members ("OPMs") will receive a certain amount of NYSE Euronext stock. Once the Mergers close, all trading rights appurtenant to the Amex Regular Members' memberships or OPMs' memberships will be cancelled.

As proposed in the Merger Transaction filing, immediately following the closing of the Mergers, those persons and entities who were authorized to trade on the Amex before the closing of the Mergers, including Amex (i) owners, lessees, or nominees of Regular Members or OPMs, (ii) limited trading permit holders, and (iii) associate members, will be deemed to have satisfied applicable qualification requirements necessary to trade in NYSE Alternext's demutualized marketplace and will be issued trading permits (referred to as "86 Trinity Permits") at no cost. The 86 Trinity Permit will authorize owners, lessees, or nominees of Amex Regular Members or OPMs, Amex limited trading permit holders, and Amex associate members who were authorized to trade on the Amex immediately before the Mergers to continue to trade at NYSE Alternext's systems and facilities at 86 Trinity Place, New York, New York (the "86 Trinity Trading Systems"). NYSE Alternext will recognize the former Amex (i) owners, lessees, or nominees of Regular Members or OPMs, (ii) limited trading permit holders, and (iii) associate members as either NYSE Alternext member organizations or members, as applicable.

In connection with the Mergers, NYSE Euronext intends to relocate all equities trading previously conducted on the 86 Trinity Trading Systems to the NYSE's trading systems and facilities located at 11 Wall Street, New York, New York (the "NYSE Alternext Trading Systems"). The NYSE Alternext Trading Systems will be operated by the NYSE on behalf of NYSE Alternext. NYSE Alternext will also adopt a version of the NYSE's rules for trading equities on NYSE Alternext after the Equities Relocation.<sup>4</sup>

<sup>3</sup> See SR-Amex-2008-62 (the "Merger Transaction filing").

<sup>4</sup> See SR-Amex-2008-63 (the "NYSE Alternext Equities filing").

<sup>12</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.