

authorization is required by their constitutive documents or the laws of their jurisdictions of incorporation. As such, they would need to obtain the resolution solely to comply with section 806.02.

As obtaining these resolutions would be burdensome for the issuers involved and the transfers of the securities to NYSE Arca are being effectuated at the request of the Exchange, NYSE believes it is appropriate to waive this requirement specifically for the nine affected securities. NYSE proposes a waiver of this requirement applicable only to the voluntary withdrawal from listing of index-linked notes that are being transferred to another national securities exchange. In lieu of the board resolution, the issuer will be required to provide a letter signed by an authorized executive officer setting forth the reasons for the proposed withdrawal. The Exchange believes that this narrowly tailored exception to the requirements of section 806.02 is justified because of the unique circumstance that the withdrawal from listing is occurring at the Exchange's request to further an NYSE Euronext business objective.

The Exchange also proposes to amend section 806.02 to delete the rule text that applied prior to April 24, 2006. On that date, the revised text of section 806.02 became effective to comply with the requirements of Rule 12d2-2 under the Act.<sup>4</sup> On July 14, 2005, the Commission adopted amendments to Rule 12d2-2 under the Act. Rule 12d2-2 under the Act, as amended, required all national securities exchanges, including the Exchange, to amend their delisting rules to conform with certain requirements set forth in new Rule 12d2-2. The Exchange amended section 806.02 in light of these requirements and its new delisting procedures superseded the old procedures on April 24, 2006. As such, the old procedures have no further application and, to avoid confusion, the Exchange proposes to delete them from section 806.02 in their entirety.

## 2. Statutory Basis

The proposed rule change is consistent with section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of section 6(b)(5) of the Act,<sup>6</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged

in facilitating transactions in securities, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system.

### 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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve such proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be disapproved.

## 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-2007-99 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-2007-99. 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 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-2007-99 and should be submitted on or before December 17, 2007.

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

**Florence E. Harmon,**  
Deputy Secretary.

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BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56810; File No. SR-NYSEArca-2007-117]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Adding a New Order Type Known as PNP Blind

November 19, 2007.

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 November 13, 2007, NYSE Arca, Inc. ("NYSE Arca" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been

<sup>4</sup> 17 CFR 240.12d2-2.

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

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

<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.

substantially prepared by the Exchange. NYSE Arca has designated the proposed rule change as “non-controversial” under Section 19(b)(3)(A)(iii)<sup>3</sup> of the Act and Rule 19b-4(f)(6) thereunder,<sup>4</sup> 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, through its wholly owned subsidiary, NYSE Arca Equities, Inc. (“NYSE Arca Equities”), proposes to amend NYSE Arca Equities Rule 7.31 in order to add a new order type known as PNP Blind. The changes described in this rule proposal would add new Exchange Rule 7.31(mm). The text of the proposed rule change is available on the Exchange’s Web site at <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, NYSE Arca 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. NYSE Arca 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

In order to provide additional flexibility and increased functionality to its system and its Users,<sup>5</sup> the Exchange proposes to add a new variation upon an existing order type. The existing order type, the PNP Order (Post No Preference),<sup>6</sup> is a limit order to buy or sell that is executed in whole or in part on the Exchange, with any unexecuted portion displayed and ranked in the NYSE Arca book. The proposed corollary to this order type, PNP Blind, is a PNP order that is priced at or

through the Best Protected Bid or Best Protected Offer (“PBBO”)<sup>7</sup> and is displayed on the NYSE Arca book at the price of the contra quote. The limit price of the PNP Blind order shall be undisplayed (e.g., blind).

##### PNP Blind

The limit price of the PNP Blind order shall remain undisplayed while its tradable price may be adjusted in certain circumstances. Where the PBBO adjusts away from the price of the PNP Blind and the prices continue to overlap, the limit price of the PNP Blind will remain undisplayed but its tradable price shall be adjusted to the contra side of the PBBO. Similarly, in instances where the PBBO moves into the price of the PNP Blind, the limit price remains undisplayed and the tradable price is adjusted to the contra side of the PBBO.

In certain circumstances, the PNP Blind order will convert to a displayed PNP limit order. Where the PBBO moves away from the price of the PNP Blind order and the prices no longer overlap, the PNP Blind will convert to a displayed PNP order and once displayed it may become the new PBBO. Once converted, the order never reverts to an undisplayed PNP Blind order.

This order type is similar in nature to an existing order type, the Passive Liquidity Order (“PLO”).<sup>8</sup> The PLO allows Users to post undisplayed limit orders on the NYSE Arca book, which do not route to away market centers. However, the PLO is exclusive to Lead Market Makers in issues where the Exchange is the primary listings market and there is a Lead Market Maker. PNP Blind orders are available to all Users for all securities and never route to away market centers. Unlike the PLO which remains undisplayed, the PNP Blind will convert to a displayed limit order under the circumstances described above.

PNP Blind orders, therefore, will offer all Users the ability to post an undisplayed limit order priced at or through the PBBO, with a tradable price set at the contra side of the PBBO. The tradable price will adjust until such time as the PBBO either moves away from the limit price of the PNP Blind order and the prices no longer overlap, or moves into the price of the PNP Blind order, whereupon it will then convert to

a displayed PNP order. The entry time of a PNP Blind order is not refreshed or updated with each adjustment to its price.<sup>9</sup>

##### PNP Blind Examples

The following examples demonstrate how a PNP Blind order operates.

##### Example 1:

If the price of the PNP Blind order is at or through a protected quote, the order will go blind (undisplayed) and will be placed on the book at the price of the contra quote of the PBBO.

*PBBO:* 15.00 to 15.05.

*PNP Blind:* Buy 1000 @ 15.10.

*Result:* PNP Blind goes blind (undisplayed) and is placed on the bid side of the book at 15.05.

##### Example 2:

If the PBBO moves away from the price of the PNP Blind, but the prices continue to overlap, the PNP Blind remains undisplayed and adjusts its tradable price on the book to the new price of the contra quote of the PBBO.

*PBBO:* 15.00 to 15.05.

*PNP Blind:* Buy 1000 @ 15.10.

*Result:* PNP B goes blind (undisplayed) and is placed on the bid side of the book at 15.05.

*PBO:* Updates from 15.05 to 15.07.

*Result:* PNP Blind remains blind (undisplayed) but adjusts in price to 15.07.

##### Example 3:

If the PBBO moves away from the price of the PNP Blind and the prices no longer overlap, the PNP Blind converts to a displayed PNP limit order.

*PBBO:* 15.05 to 15.07.

*PNP Blind:* Buy 1000 @ 15.10.

*Result:* PNP B goes blind (undisplayed) and is placed on the bid side of the book at 15.07.

*PBO:* Updates from 15.07 to 15.15.

*Result:* PNP Blind converts to PNP limit order and displays a bid of 15.10, setting an updated PBBO of 15.10 to 15.15.

##### Example 4:

If the PBBO moves into the price of the PNP Blind, the PNP Blind will adjust its tradable price on the book to the new price of the contra quote of the PBBO or remains displayed if it never went blind or had previously converted to a PNP limit order.

*PBBO:* 15.00 to 15.05.

*PNP Blind:* Buy 1000 @ 15.10.

*Result:* PNP Blind goes blind (undisplayed) and is placed on the bid side of the book at 15.05.

*PBBO:* Updates to 15.00 to 15.03.

*Result:* PNP Blind remains blind (undisplayed) and its tradeable price adjusts to 15.03.

*PBBO:* 15.00 to 15.05.

*PNP Blind:* Buy 1000 @ 15.03.

*Result:* PNP Blind is displayed at 15.03.

<sup>9</sup> If a PNP Blind order reaches its limit price and becomes displayed, such PNP Blind order would become the only displayed order in the NYSE Arca book at that price.

<sup>7</sup> Pursuant to NYSE Arca Equities Rule 1.1(dd), the term “NBBO” refers to the National best bid or offer and the term “PBBO” refers to the Best Protected Bid and the Best Protected Offer on NYSE Arca. PNP Blind orders will be priced in relation to the PBBO and orders placed on NYSE Arca cannot trade-through Protected Quotations on away markets except as allowed under NYSE Arca Equities Rule 7.37(g).

<sup>8</sup> See NYSE Arca Equities Rule 7.3(h)(4).

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

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

<sup>5</sup> See NYSE Arca Equities Rule 1.1(yy) for the definition of “User.”

<sup>6</sup> See NYSE Arca Equities Rule 7.31(w).

*Update:* PBBO resets to 15.03 to 15.05.  
*Result:* PNP Blind remains displayed at 15.03.

#### Display Order Process

PNP Blind orders fall within the Exchange's Display Order Process set forth in NYSE Arca Equities Rule 7.36. Accordingly, as described above, PNP Blind orders follow a strict price/time priority.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>11</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism for a free and open market and a national market system.

#### *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

Because the 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 after the date of 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>12</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>13</sup> As required under Rule 19b-4(f)(6)(iii),<sup>14</sup> NYSE Arca provided the Commission with 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 the filing of the proposed rule change.

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.<sup>15</sup> However, Rule 19b-4(f)(6)(iii)<sup>16</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. NYSE Arca requests that the Commission waive the 30-day operative delay period for "non-controversial" proposals under Rule 19b-4(f)(6)<sup>17</sup> and make the proposed rule change effective and operative upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it would permit the Exchange to offer the PNP Blind order type without delay. Accordingly, the Commission designates the proposed rule change operative upon filing with the Commission.<sup>18</sup>

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 the 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-NYSEArca-2007-117 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.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the impact of the proposed rule on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f)

All submissions should refer to File Number SR-NYSEArca-2007-117. 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of NYSE Arca. 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-NYSEArca-2007-117 and should be submitted on or before December 17, 2007.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Florence E. Harmon,**  
*Deputy Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-56800; File No. SR-OCC-2007-10]

#### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Fees Charged to Clearing Members and Non-Clearing Members for Theoretical Profit and Loss Values

November 16, 2007.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on

<sup>19</sup> 17 CFR 200.30-3(a)(12).

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

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f)(6).

<sup>14</sup> 17 CFR 240.19b-4(f)(6)(iii).