

Proposed Rule Change by NYSE Arca  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<b>Initial</b> <input checked="" type="checkbox"/>	<b>Amendment</b> <input type="checkbox"/>	<b>Withdrawal</b> <input type="checkbox"/>	<b>Section 19(b)(2)</b> <input type="checkbox"/>	<b>Section 19(b)(3)(A)</b> <input checked="" type="checkbox"/>	<b>Section 19(b)(3)(B)</b> <input type="checkbox"/>
			<b>Rule</b>		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the proposed rule change (limit 250 characters).

Proposal to amend NYSE Arca Schedule of Rates and Charges in connection with the Penny Pilot Program

**Contact Information**  
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name	<input type="text" value="Janet"/>	Last Name	<input type="text" value="Angstadt"/>
Title	<input type="text" value="General Counsel - NYSE Arca"/>		
E-mail	<input type="text" value="jangstadt@nyse.com"/>		
Telephone	<input type="text" value="(312) 442-7147"/>	Fax	<input type="text"/>

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date	<input type="text" value="01/22/2007"/>
By	<input type="text" value="Mary Yeager"/>
	(Name)
	<input type="text" value="Corporate Secretary"/>
	(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information**

Add Remove View

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change**

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

Add Remove View

Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) is proposing to amend its Schedule of Fees and Charges for Exchange Services (“Schedule”) in order to revise certain Transaction Fees and eliminate Marketing Fees, for issues that trade as part of the Penny Pilot (“Pilot”)<sup>1</sup>. The text of the proposed rule change is attached as Exhibit 5.
- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the Board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Janet Angstadt  
General Counsel  
NYSE Arca, Inc.  
100 South Wacker Drive  
Chicago, IL 60606  
Phone: (312) 442-7147

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

Purpose

The purpose of this filing is to revise the existing NYSE Arca Rate Schedule in conjunction with the introduction of the Penny Pilot. Pending Securities and Exchange Commission approval of the SR-NYSEArca-2006-73, the Exchange plans to include the following issues as part of the Pilot. Agilent Technologies (A), Advanced Micro Devices (AMD), (Caterpillar) CAT, Flextronics International (FLEX), General Electric (GE), Intel (INTC), iShares Russell 2000

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<sup>1</sup> See SR-NYSEArca-2006-73 a proposal to adopt a pilot program which will allow the Exchange to trade option contracts in one cent increment in certain issues approved by the Securities and Exchange Commission for a period of six months was filed, as amended on December 12, 2006. The anticipated date for the commencement of the Penny Pilot is January 26, 2007.

Index fund (IWM), Microsoft (MSFT), Nasdaq-100 Index Tracking Stock (QQQQ), Semiconductor Holders Trust (SMH), Sun Microsystems (SUNW), Texas Instruments (TXN), and Whole Foods Markets (WFMI). NYSE Arca is proposing to amend its Schedule in order to make the following changes to certain fees and charges that are assessed to OTP Holders and OTP Firms in the above listed issues.

### **Transaction Fees**

NYSE Arca is proposing to implement a Post / Take pricing model for electronically executed transactions in issues that are part of the Penny Pilot. Under the proposed rate schedule, all electronic orders that add or “post” liquidity to the Consolidated Book (resting orders and resting quotes) will receive a transaction credit upon execution. Registered Market Makers<sup>2</sup> will receive a credit of \$0.30 per contract. All other trade participants, including but not limited to Brokers-Dealers and OTP Firms representing both Firm and Public Customer orders, will be receive a credit of \$0.25 contract.

The Transaction Fee for all trade participants that “take” liquidity from the Consolidated Book (incoming electronic quotes and orders that are executed upon receipt) will be \$0.50 per contract. This fee will be applied to all trade participants, including Market Makers, Broker-Dealers and OTP Firms executing orders on behalf of Public Customers.

Electronically entered Contingency Orders, such as All or None (AON) and Immediate or Cancel (IOC) are deemed to be taking liquidity and therefore will be assessed the \$0.50 per contract fee.

Orders that take place as part of an Opening Auction are deemed to neither take nor post liquidity. For this reason, in issues that trade as part of the Penny Pilot, executions that take place as part of an Opening Auction will neither be assessed nor credited the Transaction Fee.

### **Linkage Fees**

Linkage Orders executed at NYSE Arca are subject to the same billing treatment as other Broker Dealer orders<sup>3</sup>. Since Linkage Orders that are sent to and executed on NYSE Arca will be taking liquidity, these orders will be assessed a \$0.50 per contract fee. This fee remains unchanged from the present fee. Linkage Orders that are not executed upon receipt are rejected back to the sender and are

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<sup>2</sup> Market Maker, as defined in NYSE Arca Rule 6.1(b)(29) and NYSE Arca Rule 6.1A(a)(4).

<sup>3</sup> Fees imposed on Linkage Orders are subject to an Exchange Pilot Program and will expire on July 31, 2007.

never posted in the Consolidated Book. Therefore a Linkage Orders would never be eligible to receive a credit of the Transaction Fee, as described earlier.

### **Royalty Fees**

For electronic executions in issues included in the Pilot, where the Exchange pays a Royalty Fee to a licensed underwriter, the Royalty Fees will be passed through to the trading participant on the “take” side of the transaction. Royalty fees will not be assessed on executions occurring during the Opening Auction in Pilot issues. Open Outcry executions in Pilot issues and all executions in non-Pilot issues will be subject to the current billing treatment covering Royalty Fees.

Initial plans for the Penny Pilot do not include any issues with Royalty Fees associated with them. In the event the Exchange was to propose the inclusion of a Royalty Fee issue in the Penny Pilot, it would do so through a rule filing with the Commission pursuant to Rule 19b-4.

### **Marketing Fees**

The Exchange presently assesses Market Makers<sup>4</sup> a \$0.65 per contract Marketing Fee on all transactions involving public customer orders. For orders in the NASDAQ-100 Tracking Stock (QQQQ) the Exchange charges Market Makers \$0.95 per contract, in the Standard and Poor’s Depository Receipts (SPY) the Exchange charges \$1.00 per contract. Market Makers are assessed Marketing fees on both public customer orders and Broker Dealer orders in QQQQ and the SPY. Market Maker to Market Maker orders are never assessed a Marketing Fee.

As part of the Penny Pilot program, NYSE Arca will be quoting and trading a limited number of issues in one cent increments. For transactions in issues which are included as part of the Penny Pilot the Exchange will no longer collect a Marketing Fee. All other aspects of the Marketing Fee will remain the same.

### **Rollout of the Pilot**

The Penny Pilot is scheduled to commence on January 26, 2007 pending Commission approval. Initially a limited number of issues, mention above, will be included in the Pilot. It is anticipated that the rollout of all issues will be completed over a three week period. The above rates changes apply only to transactions in Penny Pilot issues, effective upon the date that they rollout as part of the Pilot.

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See footnote 2

Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act, in general, and Section 6(b)(4), in particular, in that it provides for the equitable allocation of dues, fees and other charges among its members.

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

NYSE Arca 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.

5. 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.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act and SEC Rule 19b-4(f)(2) thereunder in that it establishes or changes a due, fee, or other charge imposed on members by the self-regulatory organization.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit 1 – Notice of Filing for The Federal Register

Exhibit 5 – Revised Rate Schedule

SECURITIES AND EXCHANGE COMMISSION  
 (Release No. 34- ; File No. SR-NYSEArca-2007-07)

[DATE]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Arca, Inc. Relating to Exchange Fees and Charges.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on January 22, 2007, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission” or “SEC”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the self-regulatory organization. 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

NYSE Arca is proposing to amend its Schedule of Fees and Charges for Exchange Services (“Schedule”) in order to revise certain Transaction Fees and eliminate Marketing Fees, for issues that trade as part of the Penny Pilot (“Pilot”)<sup>4</sup>.

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

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

<sup>2</sup> 15 U.S.C. 78a

<sup>3</sup> CFR 240.19b-4.

<sup>4</sup> See SR-NYSEArca-2006-73 a proposal to adopt a pilot program which will allow the Exchange to trade option contracts in one cent increment in certain issues approved by the Securities and Exchange Commission for a period of six months was filed, as amended on December 12, 2006. The anticipated date for the commencement of the Penny Pilot is January 26, 2007.

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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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

Purpose

The purpose of this filing is to revise the existing NYSE Arca Rate Schedule in conjunction with the introduction of the Penny Pilot. Pending Securities and Exchange Commission approval of the SR-NYSEArca-2006-73, the Exchange plans to include the following issues as part of the Pilot. Agilent Technologies (A), Advanced Micro Devices (AMD), (Caterpillar) CAT, Flextronics International (FLEX), General Electric (GE), Intel (INTC), iShares Russell 2000 Index fund (IWM), Microsoft (MSFT), Nasdaq-100 Index Tracking Stock (QQQQ), Semiconductor Holders Trust (SMH), Sun Microsystems (SUNW), Texas Instruments (TXN), and Whole Foods Markets (WFMI). NYSE Arca is proposing to amend its Schedule in order to make the following changes to certain fees and charges that are assessed to OTP Holders and OTP Firms in the above listed issues.

**Transaction Fees**

NYSE Arca is proposing to implement a Post / Take pricing model for electronically executed transactions in issues that are part of the Penny Pilot. Under the proposed rate schedule, all electronic orders that add or “post” liquidity to the

Consolidated Book (resting orders and resting quotes) will receive a transaction credit upon execution. Registered Market Makers<sup>5</sup> will receive a credit of \$0.25 per contract. All other trade participants, including but not limited to Brokers-Dealers and OTP Firms representing both Firm and Public Customer orders, will be receive a credit of \$0.20 contract.

The Transaction Fee for all trade participants that “take” liquidity from the Consolidated Book (incoming electronic quotes and orders that are executed upon receipt) will be \$0.50 per contract. This fee will be applied to all trade participants, including Market Makers, Broker-Dealers and OTP Firms executing orders on behalf of Public Customers.

Electronically entered Contingency Orders, such as All or None (AON) and Immediate or Cancel (IOC) are deemed to be taking liquidity and therefore will be assessed the \$0.50 per contract fee.

Orders that take place as part of an Opening Auction are deemed to neither take nor post liquidity. For this reason, in issues that trade as part of the Penny Pilot, executions that take place as part of an Opening Auction will neither be assessed nor credited the Transaction Fee.

### **Linkage Fees**

Linkage Orders executed at NYSE Arca are subject to the same billing treatment as other Broker Dealer orders<sup>6</sup>. Since Linkage Orders that are sent to and executed on

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<sup>5</sup> Market Maker, as defined in NYSE Arca Rule 6.1(b)(29) and NYSE Arca Rule 6.1A(a)(4).

<sup>6</sup> Fees imposed on Linkage Orders are subject to an Exchange Pilot Program and will expire on July 31, 2007.

NYSE Arca will be taking liquidity, these orders will be assessed a \$0.50 per contract fee. This fee remains unchanged from the present fee. Linkage Orders that are not executed upon receipt are rejected back to the sender and are never posted in the Consolidated Book. Therefore a Linkage Orders would never be eligible to receive a credit of the Transaction Fee, as described earlier.

### **Royalty Fees**

For electronic executions in issues included in the Pilot, where the Exchange pays a Royalty Fee to a licensed underwriter, the Royalty Fees will be passed through to the trading participant on the “take” side of the transaction. Royalty fees will not be assessed on executions occurring during the Opening Auction in Pilot issues. Open Outcry executions in Pilot issues and all executions in non –Pilot issues will be subject to the current billing treatment covering Royalty Fees.

The above rates apply only to electronically executed transactions in Penny Pilot issues mentioned above, effective upon the date that they rollout as part of the Pilot. Initial plans for the Penny Pilot do not include any issues with Royalty Fees associated with them. In the event the Exchange was to propose the inclusion of a Royalty Fee issue in the Penny Pilot, it would do so through a rule filing with the Commission pursuant to Rule 19b-4.

### **Marketing Fees**

The Exchange presently assesses Market Makers<sup>7</sup> a \$0.65 per contract Marketing Fee on all transactions involving public customer orders. For orders in the NASDAQ-100 Tracking Stock (QQQQ) the Exchange charges Market Makers \$0.95 per contract, in the

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<sup>7</sup> See footnote 2

Standard and Poor's Depository Receipts (SPY) the Exchange charges \$1.00 per contract. Market Makers are assessed Marketing fees on both public customer orders and Broker Dealer orders in QQQQ and the SPY. Market Maker to Market Maker orders are never assessed a Marketing Fee.

As part of the Penny Pilot program, NYSE Arca will be quoting and trading a limited number of issues in one cent increments. For transactions in issues which are included as part of the Penny Pilot the Exchange will not longer collect a Marketing Fee. All other aspects of the Marketing Fee will remain the same.

### **Rollout of the Pilot**

The Penny Pilot is scheduled to commence on January 26, 2007 pending Commission approval. Initially a limited number of issues, mention above, will be included in the Pilot. It is anticipated that the rollout of all issues will be completed over a three week period. The above rates changes apply only to transactions in Penny Pilot issues, effective upon the date that they rollout as part of the Pilot.

#### Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act, in general, and Section 6(b)(4), in particular, in that it provides for the equitable allocation of dues, fees and other charges among its members.

#### **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) of the Securities Exchange Act of 1934 and subparagraph (f)(2) of Securities Exchange Act Rule 19b-4. At any time within 60 days of the filing of such 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 Securities Exchange Act of 1934.

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-2007-07 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-NYSEArca-2007-07. 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 Section, 100 F Street, NE, Washington, DC 20549. 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-NYSEArca-2007-07 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority<sup>8</sup>.

Florence E. Harmon  
Deputy Secretary

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<sup>8</sup> 17 CFR 200.30-3(a)(12).

**Exhibit 5**

(new text is underlined; deleted text is in brackets)

**NYSE Arca, Inc.**  
**Schedule of Fees and Charges**

**NYSE Arca GENERAL OPTIONS and TRADING PERMIT (OTP) FEES****OTP TRADING PARTICIPANT RIGHTS**

Floor Brokers, Office, Clearing Firms <sup>1</sup>	\$1,000 per month per OTP												
NYSE Arca Market Makers <sup>1</sup>	\$4,000 per month per OTP (subject to a monthly cap of \$16,000 per Market Maker).												
Lead Market Maker Rights <sup>2</sup>	<table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: center;">Avg National Daily Customer Contracts</td> <td style="text-align: center;">Monthly Issue Fee</td> </tr> <tr> <td style="text-align: center;">0 to 2,000</td> <td style="text-align: center;">\$150</td> </tr> <tr> <td style="text-align: center;">2,001 to 5,000</td> <td style="text-align: center;">\$400</td> </tr> <tr> <td style="text-align: center;">5,001 to 15,000</td> <td style="text-align: center;">\$750</td> </tr> <tr> <td style="text-align: center;">15,001 to 100,000</td> <td style="text-align: center;">\$1,500</td> </tr> <tr> <td style="text-align: center;">Over 100,000</td> <td style="text-align: center;">\$3,000</td> </tr> </table>	Avg National Daily Customer Contracts	Monthly Issue Fee	0 to 2,000	\$150	2,001 to 5,000	\$400	5,001 to 15,000	\$750	15,001 to 100,000	\$1,500	Over 100,000	\$3,000
Avg National Daily Customer Contracts	Monthly Issue Fee												
0 to 2,000	\$150												
2,001 to 5,000	\$400												
5,001 to 15,000	\$750												
15,001 to 100,000	\$1,500												
Over 100,000	\$3,000												
LMM OPTIONS ISSUE RELINQUISHMENT REQUEST	\$100 per issue. This fee will not be assessed on issues relinquished due to the delisting of the issue by the Exchange.												
LMM OPTIONS ISSUE TRANSFER FEE	\$100 per issue charged to transferor												
<hr/>													
OPTIONS ORIENTATION FEE (SERIES 44 OR 45)	\$1,000 (includes investigation and fingerprinting fees)												
SERIES 46 EXAMINATION FEE	\$200												
INVESTIGATION FEE	\$125 (assessed if applicant is not assessed the Options Orientation Fee)												
FINGERPRINTING FEE	\$35 (assessed if applicant is not assessed the Options Orientation Fee)												
<hr/>													
<b>REGULATORY FEES</b>													
Focus Filing Fee	\$100 annual filing fee for OTP Firms for which the Exchange is the Designated Examining Authority												
Registration Fee	\$55 annual fee for new applications, maintenance, or transfer of registration status for each Registered Representative and each Registered Options Principal (collected by the NASD) \$30 for termination of such individuals \$85 NASD CRD Processing Fee \$95 NASD Disclosure Processing Fee \$30 NASD Annual System Processing Fee \$13 NASD Manual Processing Fee for Fingerprint Results submitted by other SROs \$55 NYSE Arca Transfer/Relicense Individual Fee												

<sup>1</sup> Fee will be based on the maximum number of OTPs held by an OTP Firm or OTP Holder during a calendar month.

<sup>2</sup> This fee is in addition to the Market Maker Fee and will be billed on a per issue basis to the OTP Firm acting as LMM in the issue. This fee will not apply to Interim LMMs acting in accordance with Rule 6.82(b)(4). This fee will not apply to issues that have been designated as "closing only" and are subject to delisting by the Exchange.

DEA Fee	\$2,000 monthly fee per firm <sup>3</sup> \$250 annual fee per trader <sup>3</sup> \$75 one-time registration fee per trader <sup>3</sup> \$250 per quarter for firms not engaging in a public business <sup>4</sup>
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APPLICATION RESULTING IN STATUTORY DISQUALIFICATION PROCEEDINGS	\$2,000 fee per application
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WEEKLY BULLETIN SUBSCRIPTION FEE	\$200 annual fee for electing to receive hard copies of the NYSEArca Weekly Bulletin (no fee is assessed for e-mail copies)
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LATE PAYMENT OF FEES,  
FINES & CHARGES

Number of times late within previous  
twelve months

Amount of Charge

1	\$250 or 1.0% of invoice amount, whichever is greater
2 or more	\$500 or 1.5% of invoice amount, whichever is greater

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<sup>3</sup> This fee will apply to OTP Firms for which the Exchange is the Designated Examining Authority. An exemption from this fee will be granted to any NYSE Arca registered Floor Broker or Market Maker that effects at least 25% of all securities transactions, as measured in contract or share volume, on any options trading facility of NYSE Arca.

<sup>4</sup> This fee does not apply to those firms subject to the \$2,000 monthly fee.

## NYSE Arca OPTIONS: TRADE-RELATED CHARGES

### TRANSACTION FEE - PER CONTRACT

Order Type	Standard Executions <sup>5</sup>	Electronic Executions in Penny Pilot Issues <sup>6</sup>	
		Post Liquidity	Take Liquidity
LMM <sup>[5]</sup> <sup>7</sup>	\$0.09	-\$0.30	\$0.50
NYSE Arca Market Maker	\$0.16	-\$0.30	\$0.50
BD Electronic	\$0.50	-\$0.25	\$0.50
BD Manual	\$0.26	N/A	N/A
Customer Electronic	\$0.00	-\$0.25	\$0.50
Customer Manual	\$0.00	N/A	N/A
Firm <sup>[6]</sup> <sup>8</sup>	\$0.15	-\$0.25	\$0.50

LIMIT OF FEES ON OPTIONS STRATEGY EXECUTIONS <sup>[7]</sup> <sup>9</sup> \$750 cap on transaction fees for strategy trades involving (a) reversals and conversions, (b) dividend spreads, (c) box spreads (d) short stock interest spreads and (e) merger spreads. The cap applies to each strategy executions executed on the same trading day in the same option class. Transaction fees for strategy trades are further capped at \$25,000 per month per initiating firm. All royalty fees associated with Strategy Executions on Index and Exchange Traded Funds will be passed through to trading participants on the Strategy Executions on a pro-rata basis. These royalty fees will not be included in the calculation of the \$750 per trade cap or the \$25,000 per month strategy fee cap.

LINKAGE FEES <sup>[8]</sup> <sup>10</sup> \$0.26 per contract on manually executed orders  
\$0.50 per contract on electronically executed orders

MARKETING CHARGE For Nasdaq-100 Tracking Stock Options (QQQQ) \$0.95 per contract side on all Market Maker transactions (excluding Market Maker to Market Maker transactions) and for Standard and Poor's Depository Receipts (SPY) \$1.00 per contract side on all Market Maker transactions (excluding Market Maker to Market Maker transactions).  
For all other NYSE Arca Equity Options: \$0.65 per contract side on transactions of Lead Market Makers and Market Makers against all public customer orders.  
Marketing Charges will not be assessed on transaction in Penny Pilot issues.

<sup>5</sup> Standard Executions include all executions in non-Penny Pilot issues and all manual executions in Penny Pilot issues.

<sup>6</sup> For Electronic Executions in Penny Pilot issues, Post Liquidity Fees are credited, Take Liquidity Fees are charged. Transaction fees do not apply to executions occurring during the Opening Auction in Penny Pilot issues. Penny Pilot issues trade as part of a pilot program through July 26, 2007.

[5] <sup>7</sup> The Exchange will rebate this fee for NYSE Arca Options executions that result from principal acting as agent orders sent and executed at away market centers. In addition to the fore mentioned rebate, the Exchange will credit Market Makers \$0.26 per contract for executions that result from principal acting as agent orders sent and executed at away market centers. The rebate and credit will be based on the aggregate market maker transaction charge calculated at month-end. Market Makers shall reimburse the Exchange for all credits received in excess of the total actual costs associated with sending principal acting as agent orders to away market centers.

[6] <sup>8</sup> The Firm fee applies to any transaction involving a proprietary trading account of an OTP Firm, that has a customer of that OTP Firm on the contra side of the transaction.

[7] <sup>9</sup> This fee is applicable through an Exchange Pilot Program until March 1, 2007.

[8] <sup>10</sup> Executions resulting from Linkage Orders, other than Satisfaction Orders, will be subject to these fees. Fees imposed on Linkage Orders are subject to an Exchange Pilot Program and will expire July 31, 2007.

ROYALTY FEES <sup>[9]</sup> <sup>11</sup>	Nasdaq Fidelity Composite Index ETF (ONEQ)	\$0.12
	Financial Select Sector SPRD (XLF)	\$0.10
	Technology Select Sector SPDR (XLK)	\$0.10
	Healthcare Select Sector SPDR (XLV)	\$0.10
	Russell 2000 Index (RUT)	\$0.15

Royalty Fees will be assessed on a per contract basis for firm, broker/dealer, and Market Maker transactions.

### **NYSE Arca OPTIONS: FLOOR and EQUIPMENT FEES**

ELECTRONIC ORDER CAPTURE DEVICE	\$175 per device per month
FLOOR BOOTHS	\$350 per month per booth
TELEPHONES	\$95 / month per MX phone; \$30 /month per non-MX phone \$14 per month per line (MX and non-MX phones)\$40 / month per cordless phone; \$110 /month per drop phone
OPTIONS FLOOR ACCESS FEE	\$130 per month for all registered floor personnel that do not pay an OTP Fee
TRADE MATCH TERMINAL FEE	\$80 per month per Exchange-provided dedicated terminal or per user ID on firm-provided PCs that connect via the Exchange to SIAC \$50 per month per user ID on firm-provided PCs that connect via the firm's SIAC connection
WIRE SERVICES	Pass-through fees
VENDOR EQUIPMENT ROOM USAGE FEE <sup>[10]</sup> <sup>12</sup>	\$2,150 per cabinet per month
CONNECTIVITY FEE	\$300 per line per month per order sending firm
TELECOM MOVE/ADD/CHANGE FEE	\$100 per hour on pro rate basis

### **NYSE Arca OPTIONS: REPORT FEES**

OPTIONS REPORTS	
User Activity Extracts (Batch)	\$0.0075 per trade plus development and set-up costs
Online Data Extract	\$500 per month
SPECIALIZED REPORT, PRINTING AND PROCESSING	Development and production costs

[9] <sup>11</sup> These fees will not be assessed on the customer side of transactions. Please refer to "Limit of Fees on Options Strategy Executions" section of this schedule for information regarding Royalty Fees associated with Options Strategy Executions.

[10] <sup>12</sup> Firms not using a full cabinet will not pay the full fee. Instead they will pay a pro rata portion therein