

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>		
<b>Pilot</b> <input type="checkbox"/>	<b>Extension of Time Period for Commission Action</b> <input type="checkbox"/>	<b>Date Expires</b> <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	<input type="checkbox"/> 19b-4(f)(5)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(6)	<input checked="" type="checkbox"/> 19b-4(f)(3)
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" 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).

**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="Andrew"/>	Last Name	<input type="text" value="Stevens"/>
Title	<input type="text" value="Assistant General Counsel"/>		
E-mail	<input type="text" value="astevens@nyse.com"/>		
Telephone	<input type="text" value="(312) 442-7632"/>	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

By  (Name)  (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 EFFF website.

**Form 19b-4 Information**

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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**

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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**

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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**

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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**

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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 the “Exchange”), through its wholly owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities” or the “Corporation”), proposes to amend NYSE Arca Equities Rule 4.5(e) to reflect the Securities and Exchange Commission’s (“SEC’s”) adoption of Regulation SHO.<sup>1</sup> By this filing, the Exchange also shall clarify the short interest reporting requirements of Equity Trading Permit (“ETP”) Holders<sup>2</sup> as prescribed by Rule 4.5(e). While the changes to the reporting requirements of ETP Holders pursuant to this proposal will be effective upon filing, the changes will become operative in September 2007, consistent with the requirements of other representative organizations of the Intermarket Surveillance Group (“ISG”).<sup>3</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.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

- (a) The proposed rule change is being submitted to the Securities and Exchange Commission (the “Commission”) by Exchange staff pursuant to authority delegated by the NYSE Arca Board of Directors and the NYSE Arca Equities Board of Directors.
- (b) Questions and comments regarding the proposed rule change may be directed to the following:

Andrew Stevens  
Assistant General Counsel  
NYSE Euronext, Inc.  
Phone: (312) 442-7632

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<sup>1</sup> See Securities Exchange Act of 1934 (“Exchange Act”) Release No. 34-50103 (File No. S7-23-03). See also 17 CFR 240.200 et seq.

<sup>2</sup> See NYSE Arca Equities Rule 1.1(n).

<sup>3</sup> See ISG Notice to Members 2007-01, dated March 15, 2007, and American Stock Exchange Notice REG 2007-19, dated March 16, 2007.

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

(a) Purpose

The Exchange proposes to make certain minor technical amendments to NYSE Arca Equities Rule 4.5(e), Periodic Reports, as such rule makes references to SEC Rules no longer in effect. Specifically, Rule 4.5(e) makes reference to “short” sales, as defined by SEC Rule 3b-3.<sup>4</sup> In light of the adoption of Regulation SHO by the SEC, the Corporation shall make the appropriate change to its rule text to remove references to SEC Rule 3b-3 and correctly identify SEC Rule 200(a)<sup>5</sup> where such definition of short sales may be found. Further, Rule 4.5(e) exempts ETP Holders from reporting short positions if such a position resulted from a sale specified in clause (9) of paragraph (e) of SEC Rule 10a-1. Since clause (9) has been removed from Rule 10a-1(e), the exemption to ETP Holders is no longer applicable, and shall be removed as a reference with NYSE Arca Equities Rule 4.5(e).

Additionally, the Exchange proposes to increase the frequency of periodic reports that ETP Holders must submit to the Corporation concerning short positions in securities, as prescribed by NYSE Arca Equities Rule 4.5(e), from monthly to twice per month. This increase in the frequency of such reports is consistent with similar changes recently approved by the SEC for the National Association of Securities Dealers, Inc. (“NASD”), the New York Stock Exchange, L.L.C. (“NYSE”), and the American Stock Exchange, Inc. (“Amex”).<sup>6</sup>

The Exchange shall implement the new periodic reporting requirements for short positions of ETP Holders in September 2007 to be consistent with the increased reporting requirements of other self-regulatory organizations.<sup>7</sup>

(b) Statutory Basis

The proposed rule change is consistent with Section 6(b)<sup>8</sup> of the Securities Exchange Act of 1934 (the “Exchange Act”), in general, and furthers the objectives of Section 6(b)(5)<sup>9</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 mechanism of a free and open market and a national market system.

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<sup>4</sup> See 17 CFR 204.3b-3.

<sup>5</sup> See 17 CFR 240.200(a).

<sup>6</sup> See Exchange Act Release No. 34-55406 (SR-NASD-2006-131; SR-NYSE-2006-111; SR-Amex-2007-05), dated March 6, 2007.

<sup>7</sup> See supra note 3.

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

4. 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.

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

Not applicable.

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 will become effective upon filing pursuant to Section 19(b)(3)(A)<sup>10</sup> of the Act and SEC Rule 19b-4(f)(6)<sup>11</sup> thereunder. The proposed rule change effects a change that 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, if consistent with the protection of investors and the public interest.

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

The proposed rule change is based on the rules of another self-regulatory organization.<sup>12</sup>

9. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Federal Register.

Exhibit 5 – Text of Proposed Changes

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> See supra note 6.

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-NYSEArca-2007-48)

[DATE]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by NYSE Arca, Inc. Relating to an Increase in the Frequency of the Short Interest Reporting Requirements for Equity Trading Permit Holders.

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 May 24, 2007, NYSE Arca, Inc. (the “Exchange”), through its wholly owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities”), filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated this proposal does not (i) significantly affect the protection of investors or the public interest, (ii) impose any significant burden on competition, and (ii) become operative within 30 days after the date of the filing by the Exchange under Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission; however, such changes shall become operative in September 2007. 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

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

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

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

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

The Exchange proposes to amend NYSE Arca Equities Rule 4.5(e) to reflect the Securities and Exchange Commission's ("SEC's") adoption of Regulation SHO.<sup>5</sup> By this filing, the Exchange also shall clarify the short interest reporting requirements of Equity Trading Permit ("ETP") Holders<sup>6</sup> as prescribed by Rule 4.5(e). While the changes to the reporting requirements of ETP Holders pursuant to this proposal will be effective upon filing, the changes will become operative in September 2007, consistent with the requirements of other representative organizations of the Intermarket Surveillance Group ("ISG").<sup>7</sup> The text of the proposed rule change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), at the Exchange's Office of the Secretary and at the Commission.

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 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

(1) Purpose

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<sup>5</sup> See Securities Exchange Act of 1934 ("Exchange Act") Release No. 34-50103 (File No. S7-23-03). See also 17 CFR 240.200 et seq.

<sup>6</sup> See NYSE Arca Equities Rule 1.1(n).

<sup>7</sup> See ISG Notice to Members 2007-01, dated March 15, 2007, and American Stock Exchange Notice REG 2007-19, dated March 16, 2007.

The Exchange proposes to make certain minor technical amendments to NYSE Arca Equities Rule 4.5(e), Periodic Reports, as such rule makes references to SEC Rules no longer in effect. Specifically, Rule 4.5(e) makes reference to “short” sales, as defined by SEC Rule 3b-3.<sup>8</sup> In light of the adoption of Regulation SHO by the SEC, the Corporation shall make the appropriate change to its rule text to remove references to SEC Rule 3b-3 and correctly identify SEC Rule 200(a)<sup>9</sup> where such definition of short sales may be found. Further, Rule 4.5(e) exempts ETP Holders from reporting short positions if such a position resulted from a sale specified in clause (9) of paragraph (e) of SEC Rule 10a-1. Since clause (9) has been removed from Rule 10a-1(e), the exemption to ETP Holders is no longer applicable, and shall be removed as a reference with NYSE Arca Equities Rule 4.5(e).

Additionally, the Exchange proposes to increase the frequency of periodic reports that ETP Holders must submit to the Corporation concerning short positions in securities, as prescribed by NYSE Arca Equities Rule 4.5(e), from monthly to twice per month. This increase in the frequency of such reports is consistent with similar changes recently approved by the SEC for the National Association of Securities Dealers, Inc. (“NASD”), the New York Stock Exchange, L.L.C. (“NYSE”), and the American Stock Exchange, Inc. (“Amex”).<sup>10</sup>

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<sup>8</sup> See 17 CFR 204.3b-3.

<sup>9</sup> See 17 CFR 240.200(a).

<sup>10</sup> See Exchange Act Release No. 34-55406 (SR-NASD-2006-131; SR-NYSE-2006-111; SR-Amex-2007-05), dated March 6, 2007.

The Exchange shall implement the new periodic reporting requirements for short positions of ETP Holders in September 2007 to be consistent with the increased reporting requirements of other self-regulatory organizations.<sup>11</sup>

(2) Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act<sup>12</sup> in general and furthers the objectives of Section 6(b)(5)<sup>13</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 mechanism 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 on the proposed rule change were neither solicited nor received.

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

The foregoing proposed rule change has become effective upon filing pursuant to

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<sup>11</sup> See supra note 7.

<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

Section 19(b)(3)(A) of the Act<sup>14</sup> and Rule 19b-4(f)(6)<sup>15</sup> thereunder because it does not (i) significantly affect the protection of investors or the public interest, (ii) impose any significant burden on competition, and (iii) become operative within 30 days after the date 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 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 No. SR-NYSEArca-2007-48 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.

All submissions should refer to File No. SR-NYSEArca-2007-48. This file number should be included on the subject line if e-mail is used. To help the Commission

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 19b-4(f)(6).

process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<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 offices 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 No. SR-NYSEArca-2007-48 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>16</sup>

Nancy M. Morris  
Secretary

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<sup>16</sup> 17 CFR 200.30-3(a)(12).

**Text of the Proposed Rule Change:<sup>1</sup>****Rules of The NYSE Arca Equities, Inc.****Rule 4****Capital Requirements, Financial Reports, Margins**

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**Rule 4.5(e) Periodic Reports**

Every ETP Holder shall submit, as required by the Corporation periodic reports with respect to short positions in securities.

*Commentary:*

**.01 Short Positions.** ETP Holders for which the Corporation is the designated examining authority ("DEA") are required to report "short" positions, including odd lots, in each stock or warrant listed or traded on the Corporation, and in each other stock or warrant not listed or traded on the Corporation (and not otherwise reported to another self-regulatory organization), using such automated format and methods as prescribed by the Corporation. Such reports must include customer and proprietary positions and must be made at such times and covering such time period as may be designated by the Corporation.

Every ETP Holder for which the Corporation is not the DEA must report "short" positions to the self-regulatory organization that is the DEA for such ETP Holder, if such DEA has a requirement for such reports. If the DEA does not have such a reporting requirement, then such ETP Holder must comply with the provisions of this Rule 4.5(e).

ETP Holders whose short positions have been properly reported to, and are carried by, a non-ETP clearing organization will be in compliance with this Rule 4.5(e) if adequate arrangements have been made for such clearing organization to report such positions to the Corporation or to another self-regulatory organization.

"Short" positions to be reported are those resulting from "short" sales as defined in SEC Rule 200(a) [3b-3], but excluding positions resulting from sales specified in clauses (1), (6), (7), (8), [(9)] and (10) of paragraph (e) of SEC Rule 10a-1.

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<sup>1</sup> New text is underscored and deleted text is in [brackets].

Also to be excluded are "short" positions carried for other ETP Holders reporting for themselves.

Only one report should be made for each stock or warrant in which there is a short position. If more than one account has a short position in the same stock or warrant, the combined aggregate should be reported.

The term "designated examining authority" means the self-regulatory organization that has been assigned responsibility for examining an ETP Holder for compliance with applicable financial responsibility rules.

**.02** – No change.

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