

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55426; File No. SR-ISE-2007-01]

Self-Regulatory Organizations; International Securities Exchange, LLC; Order Approving a Proposed Rule Change Relating to Rule 2113 (Long and Short Sales)

March 8, 2007.

On January 5, 2007, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change relating to NASD Rule 2113 (Long and Short Sales). The proposed rule change was published for comment in the *Federal Register* on February 5, 2007.³ The Commission received no comments regarding this proposal. This order approves the rule change.

Discussion and Commission Findings

The Exchange proposes to amend ISE Rule 2113 (Long and Short Sales) to conform its language to Rule 10a-1(a)(1)(i) promulgated under the Act. Specifically, Rule 2113 (Long and Short Sales) currently provides that the Exchange will not execute a short sale order below the price at which the last sale was effected on the Exchange. The Exchange proposes to amend ISE Rule 2113 to conform its language to Rule 10a-1(a)(1)(i) promulgated under the Act, whereby the Exchange will not execute a short sale order below the price at which the last sale was reported pursuant to an effective transaction reporting plan, as defined in Rule 242.600 under the Act.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and in particular Section 6(b)(5) of the Act⁴ which requires that the rules of an exchange be designed to promote just and equitable principles of trade, serve to remove impediments to and perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.⁵

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-ISE-2007-01) be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Florence E. Harmon,
Deputy Secretary.

[FR Doc. E7-4691 Filed 3-14-07; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55423; File No. SR-NYSEArca-2007-21]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to an Exemption from Certain of the Exchange's Shareholder Approval Requirements for Limited Partnerships

March 8, 2007.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that on February 23, 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 ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by Exchange. The Exchange has designated this proposal as non-controversial under Section 19(b)(3)(A)(iii) of the Act⁴ and Rule 19b-4(f)(6) thereunder,⁵ which renders the proposed rule change 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

NYSE Arca is proposing to exempt limited partnerships ("LPs") from the obligations to obtain shareholder approval for the issuance of common stock and related securities in the circumstances set forth in subsections (8) through (11) of NYSE Arca Equities

Rule 5.3(d). The text of this proposed rule change is available on the Exchange's Web site (http://www.nyse.com/RegulationFrameset.html?displayPage=http://www.nysearca.com/nysearca_reg/prf.asp), 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 changes and discussed any comments it received regarding the proposal. 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

NYSE Arca is proposing to exempt limited partnerships ("LPs") from the obligations to obtain shareholder approval for the issuance of common stock and related securities in the circumstances set forth in subsections (8) through (11) of NYSE Arca Equities Rule 5.3(d).⁶ The proposed amendment does not affect investors in any currently listed company, as there are currently no LPs listed on the Exchange.

Subsections (8) through (11) of NYSE Arca Equities Rule 5.3(d) require listed issuers to obtain shareholder approval prior to the issuance of designated securities in the following situations:

- Issuances that will result in a change of control of the issuer.
- In connection with the acquisition of the stock or assets of another company, shareholder approval is needed in the following circumstances:
 - If any director, officer, or substantial shareholder of the listed company has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the company or assets to be acquired or in the consideration to be paid in the transaction (or series of related

proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

⁶ This filing does not in any way limit the applicability of the provisions of NYSE Arca Equities Rule 5.2(i) to limited partnership rollups (as defined in Section 14(h) of the Securities Exchange Act of 1934) or the continued applicability of any other rule that is currently applicable to LPs.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 55191 (January 29, 2007), 72 FR 5305 (February 5, 2007).

⁴ 15 U.S.C. 78f(b)(5).

⁵ In approving this proposed rule change, the Commission notes that it has considered the