



**RULE
ADOPTION
NOTICE**

**RAN-0632
July 11, 2006**

**TO: All NYSE Arca ETP Holders, OTP Holders
and Associated Persons**

FROM: Office of the General Counsel

**SUBJECT: Regulatory Services Agreement
(File No. SR-NYSEArca-2006-27)**

On June 8, 2006, NYSE Arca, Inc. ("Exchange") filed with the Securities and Exchange Commission ("SEC") NYSEArca-2006-27, a proposed change to Rule 10.1 related to Disciplinary Jurisdiction.. The rule change, which was effective upon filing was published in the Federal Register on July 11, 2006.

The proposed rule change creates a mechanism that will allow the Exchange to contract with another SRO for the performance of certain of the Exchange's regulatory functions. The purpose of the proposed rule change is to enhance the Exchange's ability to carry out its regulatory obligations under the Act by providing the Exchange the ability to contract with another SRO for regulatory services.

The following is the text of the rule change. Questions regarding this bulletin may be directed to Janet Angstadt at (312) 442-7147.

Text of the Proposed Rule Change:

New text is underlined, Deleted text is in brackets.

RULES OF THE NYSE ARCA, INC.

Rule 10.1. Disciplinary Jurisdiction

(a). An OTP Holder, OTP Firm or associated person of an OTP Firm or OTP Holder who is alleged to have violated or aided and abetted a violation of any provision of the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, or any provision of the Exchange's Bylaws or Rules or any commentary thereof, any resolution of the Board of Directors of the Exchange regulating the conduct of business on the Exchange, or policy or procedure of the Exchange shall be subject to the disciplinary jurisdiction of the Exchange under this Rule, and after notice and opportunity for a hearing may be appropriately disciplined by cancellation of trading privileges expulsion, suspension, limitation of activities, functions, and operations, suspension or bar from association with an OTP Holder or OTP Firm, fine, censure or

any other fitting sanction, in accordance with the provisions of this Rule. An OTP Firm may be charged with any violation committed by its employees or its OTP Holder or other person who is associated with such OTP Firm, as though such violation were its own.

(b) Any OTP Holder, OTP Firm or associated person of an OTP Firm shall continue to be subject to the disciplinary jurisdiction of the Exchange following suspension or cancellation of an OTP or such person's termination of or association with an OTP Firm with respect to matters that occurred prior to such termination; provided that written notice of the commencement of an inquiry into such matters is given by the Exchange to such former OTP Holder, OTP Firm or associated person of an OTP Firm within one year of receipt by the Exchange of written notice of the termination of such person's status as an OTP Holder, OTP Firm, or associated person of an OTP Firm

(c) The Board of Directors may authorize any officer, on behalf of the Exchange, subject to the approval of the Board of Directors, to enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Securities Exchange Act of 1934. Any action taken by another self-regulatory organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Securities and Exchange Commission. Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.

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RULES OF NYSE ARCA EQUITIES, INC.

Rule 10.1. Disciplinary Jurisdiction

(a) An ETP Holder or associated person of an ETP Holder who is alleged to have violated or aided and abetted a violation of any provision of the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, any provision of the Corporation's Bylaws or Rules or any commentary thereof, any resolution of the Board of Directors of the Corporation regulating the conduct of business of the Corporation, or any policy or procedure of the Corporation shall be subject to the disciplinary jurisdiction of the Corporation under this Rule, and after notice and opportunity for a hearing may be appropriately disciplined by cancellation of trading privileges, suspension, limitation of activities, functions, and operations, suspension or bar from association with an ETP

Holder, fine, censure or any other fitting sanction, in accordance with the provisions of this Rule. An ETP Holder may be charged with any violation committed by its employees or other person who is associated with such ETP Holder, as though such violation were its own.

(b) Any ETP Holder, or associated person of an ETP Holder shall continue to be subject to the disciplinary jurisdiction of the following suspension or cancellation of ETP trading privileges or termination of association with an ETP Holder with respect to matters that occurred prior to such termination, provided that written notice of the commencement of an inquiry into such matters is given by the Corporation to such former ETP Holder or associated person of an ETP Holder within one year of receipt by the Corporation of written notice of the termination of such person's status as an ETP Holder or associated person of an ETP Holder.

(c)The Board of Directors may authorize any officer, on behalf of the Exchange, subject to the approval of the Board of Directors, to enter into one or more agreements with another self-regulatory organization to provide regulatory services to the Exchange to assist the Exchange in discharging its obligations under Section 6 and Section 19(g) of the Securities Exchange Act of 1934. Any action taken by another self-regulatory organization, or its employees or authorized agents, acting on behalf of the Exchange pursuant to a regulatory services agreement shall be deemed to be an action taken by the Exchange; provided, however, that nothing in this provision shall affect the oversight of such other self-regulatory organization by the Securities and Exchange Commission. Notwithstanding the fact that the Exchange may enter into one or more regulatory services agreements, the Exchange shall retain ultimate legal responsibility for, and control of, its self-regulatory responsibilities, and any such regulatory services agreement shall so provide.

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