

applicable to closed-end funds. Below is the text of the proposed rule change. Proposed new language is *italicized*; proposed deletions are bracketed.

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Listed Company Manual

902.00 Listing Fees

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902.02 Schedule of Current Listing Fees

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A. Original Listing Fee

A special charge of \$36,800 in addition to initial fees (described below) is payable in connection with the original listing of a company's stock. In any event, each issuer is subject to a minimum original listing fee of \$150,000 inclusive of the special charge referenced in the preceding sentence.

The special charge is also applicable to an application which in the opinion of the Exchange is a "back-door listing". See Para. 703.08(F) for definition.

Original listings of [C]closed-end funds are not subject to either the special charge or to the minimum original listing fee. Closed-end funds will instead pay an original listing fee based on the number of shares outstanding upon listing. Closed-end funds with up to 10 million shares outstanding will be subject to a \$20,000 original listing fee, closed-end funds with greater than 10 million shares up to 20 million shares outstanding will be subject to a \$30,000 original listing fee, and closed-end funds with more than 20 million shares outstanding will be subject to a \$40,000 original listing fee. Original listings of closed-end funds are also not subject to the initial fees described below.

Initial Fee

The initial fee schedule applies to original listings,** *other than to original listings of closed-end funds as described above*, and to the listing of additional shares of an already listed class of stock,* new issues of preferred stock, warrants, or similar securities which are the subject of subsequent applications. New issues of additional classes of common stock of listed companies will be charged a fixed initial fee of \$5,000 in lieu of the per share schedule.

Each stock or warrant—and in the case of preferred stock, each series—shall be regarded as a separate issue.

Each application must cover the maximum number of shares that may be issued involving the particular transaction in question. However, the initial fee payable at the time of

consideration of an application will cover only the determinable number of shares to be issued at or about that time. The balance of any initial fee under this schedule will accrue when subsequent issuance is made of shares not issued and paid for at the time that application is considered. This covers items like future issuances of shares for stock options, employee stock plans, conversion of other securities, contingencies, etc. Billing for such accrued initial fees is made as soon as possible following the close of the calendar year. Payment shall be made within 30 days of date upon receipt of invoice.

The initial fee shall be paid on shares issued at the time of billing by the Exchange. The subsequent reacquisition by the company and/or surrender to it for exchange, cancellation, or retirement shall not reduce this fee. The Exchange should be advised of shares cancelled. The shares authorized for listing on the Exchange should be reduced by the number of shares cancelled as well as by the shares no longer required to be issued under a specific plan for which an application was previously filed with the Exchange.

The pertinent initial fees per million shares are:

Fee bracket	Initial fee
1st and 2nd million shares	\$14,750
3rd and 4th million shares	7,400
5th up to 300 million shares ...	3,500
In excess of 300 million shares	1,900

Reduced Initial Fee—A fee of \$15,000 will apply to a company which either changes its state of incorporation or reincorporates, forms a holding company which replaces a listed company or has a reverse stock split. This fee will be applicable only if the change in the company's status is technical in nature and providing also that shareholders of the original company receive a share-for-share interest in the new company without any change in their equity position or rights.

Amalgamations are calculated at 25% of the applicable basic initial fee. An amalgamation is defined as the listing of shares resulting from merger or consolidation of two or more listed companies into a new company or into an unlisted company which becomes listed.

Mergers between an unlisted company and a listed company (other than back door listings (as defined in para.703.08(E))—If listing occurs within 12 months of the merger, 25% of the

applicable basic initial fee, except during the first year following the listed company's original listing, where the fee shall be the lesser of (1) 25% of the applicable basic initial fee or (2) the full fee less a credit for the fee the listed company paid at the time of its initial listing.

In all other circumstances, the full initial fee rate will apply. For example: where a change in a listed security is effected which in the opinion of the Exchange in effect represents a new issue or class of security, or where the rights or privileges or the identities of previous shareholders are altered.

Minimum Initial Fee—The minimum fee for the consideration of an application is \$2,500. Credit against initial fees will be limited to the determinable number of shares to be issued at or about the time the application is processed where the minimum fee applies. The minimum initial fee of \$2,500 will apply for changes such as change of name, change of par value, the title of the security, etc., since these require changes in Exchange records.

*Fees on shares issued in conjunction with stock splits are capped at \$250,000 per split and at \$500,000 for all splits over a rolling three calendar-year period. Fees on shares issued in conjunction with a merger or acquisition (other than amalgamations) are capped at \$500,000.

**Fees on shares listed in conjunction with the original listing are limited to \$250,000 [thousand] per company, inclusive of the special charge and encompassing all classes of securities.

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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 NYSE included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received regarding the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NYSE 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

Like many other sectors of the industry, closed-end funds have come under considerable cost pressure in