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February 14, 2007

Ms. Nancy M. Morris, Esq.
Secretary
U.S. Securities and Exchange Commission
Station Place
100 F Street, N.E.
Washington, DC 20549-9303

Re: Response to Comments to File Number SR-NYSE-2006-120 – Relating to the Proposed Combination between NYSE Group, Inc. and Euronext N.V.

Dear Ms. Morris:

New York Stock Exchange LLC (the “*Exchange*”) is pleased to respond to the comment letter, dated February 13, 2007, of Professor Robert Brown, Jr. received by the U.S. Securities and Exchange Commission (the “*SEC*”) in connection with the Exchange’s rule filing (File Number SR-NYSE-2006-120) (the “*Proposed Rule Change*”) for the proposed combination (the “*Combination*”) between NYSE Group, Inc. (“*NYSE Group*”) and Euronext N.V. (“*Euronext*”).

In his comment letter, Professor Brown expresses concern about the proposed independence policy for the NYSE Euronext, Inc. (“*NYSE Euronext*”) board of directors. As described in the Proposed Rule Change, this independence policy is substantially similar to the current independence policy of the NYSE Group board of directors, except that:

- the deputy chief executive officer of NYSE Euronext, in addition to the chief executive officer of NYSE Euronext, may serve as a director of NYSE Euronext;
- in considering the independence of an NYSE Euronext director, the board will consider any relationships or interests the director has with any broker-dealer that is not a member of the Exchange or NYSE Arca, Inc. (“*NYSE Arca*”) and is registered under the Exchange Act;

- the independence policy does not *per se* prohibit a person from serving on the board if he or she is an executive officer of a “foreign private issuers” (as defined under Rule 3b-4 under the Exchange Act) listed on the Exchange or NYSE Arca;
- the independence policy does not *per se* prohibit a person from serving on the board if he or she is a director of an affiliate of a member organization, which includes member organizations of the Exchange (as defined in paragraph (b) of Rule 2 of the Exchange), OTP Firms of NYSE Arca (as defined in Rules 1.1(r) of NYSE Arca) and ETP Holders of NYSE Arca Equities, Inc. (as defined in Rule 1.1(n) of NYSE Arca Equities, Inc.); and
- there will be a transition period so that the independence requirements of the NYSE Euronext director independence policy will not apply to the European Persons (as described in the Proposed Rule Change) on the NYSE Euronext board of directors until the annual meeting of NYSE Euronext stockholders in 2008.

Despite the above modifications, the independence policy of NYSE Euronext will require that (1) executive officers of foreign private issuers, (2) executive officers of NYSE Euronext, (3) any European Person on the NYSE Euronext board of directors who would not satisfy the independence requirements in the independence policy but for the transition period, and (4) any director of an affiliate of a member organization, taken together, shall constitute no more than a minority of the total number of directors of NYSE Euronext. In addition, none of (1) an executive officer of an issuer whose securities are listed on the Exchange or NYSE Arca (regardless of whether such issuer is a foreign private issuer), (2) a European Person on the NYSE Euronext board of directors who would not satisfy the independence requirements in the independence policy but for the transition period, or (3) any director of an affiliate of a member organization can qualify as an independent director of the Exchange, NYSE Market, Inc. (“*NYSE Market*”) or NYSE Regulation, Inc. (“*NYSE Regulation*”).

Professor Brown contends that these modifications to the independence policy represent an “erosion” of independence that should raise concerns about the ability of the directors to protect the interests of investors. He also contends that the changes will impact the board of directors of NYSE Regulation because the policy will allow executive officers of foreign private issuers to serve on the NYSE Regulation board of directors. He concludes that greater effort should be made to ensure the independence of the boards of directors of NYSE Euronext and NYSE Regulation, or, in the alternative, the SEC should revisit whether it should remove the regulatory authority of NYSE Regulation from the Exchange.

The Exchange respectfully disagrees with Professor Brown. The independence policy set forth in the Proposed Rule Change was carefully drafted in recognition that NYSE Euronext will be a global company, encompassing six exchanges in seven countries, and, as such, would need a diverse board consisting of those who would typically be on boards of U.S. securities exchanges and boards of European exchanges. Nonetheless, the independence policy was also drafted to ensure that it still adequately ensures the

independence of the directors of a company controlling U.S. securities exchanges. The Exchange believes that the Proposed Rule accomplishes this goal and that the proposed modifications do not undermine the independence of the boards of NYSE Euronext and its subsidiaries.

As a preliminary matter, several of the modifications only relate to the categorical prohibitions against certain persons from serving on the board. In these instances, the board would still be required to determine that such persons do not have any material relationship with NYSE Euronext and its subsidiaries in order for them to qualify as independent directors. For example, an executive officer of a foreign private issuer listed on the Exchange is no longer categorically prohibited from serving on the NYSE Euronext board of directors. However, the board must still find that such person fails to qualify as independent if he or she has a material relationship with NYSE Euronext and its subsidiaries, and, in making this determination, the independence policy does not exclude the fact that such person is an executive officer of an Exchange-listed company from consideration.

More significantly, notwithstanding the modifications, a majority of the NYSE Euronext board of directors must continue to comply with the more stringent independence requirements. Specifically, the proposed independence policy will provide that (1) executive officers of foreign private issuers, (2) executive officers of NYSE Euronext, (3) any European Person on the NYSE Euronext board of directors who would not satisfy the independence requirements in the independence policy but for the transition period, and (4) any director of an affiliate of a member organization, taken together, shall constitute no more than a minority of the total number of directors of NYSE Euronext. Therefore, in all cases, an absolute majority of the board of directors would continue to meet the more stringent independence requirements. Professor Brown suggests that this is insufficient to protect the interests of investors. Yet, his position is contrary to the SEC's proposed reforms for self-regulatory organizations known as Regulation SRO,¹ which, if implemented, would only require that a majority of the board of self-regulatory organization be independent.

Finally, the proposed independence policy does not change, as Professor Brown suggests, the independence requirements for NYSE Regulation directors. As described in the Proposed Rule Change, none of the following persons will qualify as an independent director of the Exchange, NYSE Market or NYSE Regulation: (1) an executive officer of an issuer whose securities are listed on the Exchange or NYSE Arca, Inc. (regardless of whether such issuer is a foreign private issuer), (2) a European Person on the NYSE Euronext board of directors who would not satisfy the independence requirements in the independence policy but for the transition period, or (3) any director of an affiliate of a member organization. Accordingly, an executive officer of a foreign private issuer listed on the Exchange could *not* qualify as an independent director of the Exchange, NYSE

¹ See Exchange Act Release No. 34-50699 (December 8, 2004).

Market or NYSE Regulation, and Professor Brown's concerns with respect to NYSE Regulation is misplaced.

As explained in the Proposed Rule Change, the Exchange believes that the proposed modifications to the independence policy are important given that NYSE Euronext will be a multinational company, with European Persons comprising half of its initial directors, most of whom will initially be former directors of Euronext. Euronext does not prohibit executive officers of companies listed on Euronext exchanges from serving as directors of Euronext because Euronext does not (and NYSE Euronext will not) regulate these companies in the way that the Exchange regulates its listed companies. The Exchange therefore believes that a categorical requirement prohibiting all executive officers of foreign private issuers listed on the Exchange or NYSE Arca could preclude a large pool of otherwise highly qualified director candidates from serving on the NYSE Euronext board of directors and is not necessary. The modifications are intended to allow persons, including Euronext directors, who otherwise would be able to serve on the boards of European exchanges, to serve on the board of NYSE Euronext. Their ability to participate on the NYSE Euronext board is important because of their depth of experience with the Euronext markets. The modifications are designed to expand the pool of qualified potential candidates, while not compromising the independence of the NYSE Euronext board of directors and the boards of directors of its U.S. subsidiaries, and the Exchange believes that the Proposed Rule Change does just this.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Yeager", with a long horizontal flourish extending to the right.

Mary Yeager
Assistant Secretary

cc: Chairman Christopher Cox
Commissioner Paul S. Atkins
Commissioner Roel C. Campos
Commissioner Cynthia A. Glassman
Commissioner Annette L. Nazareth
Mr. Erik R. Sirri