

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

Form 19b-4

Proposed Rule Change

By

New York Stock Exchange, Inc.

June 17, 1986

Pursuant to Rule 19b-4 under the  
Securities Exchange Act of 1934

Consists of 11 Pages

Proposed amendment to paragraph 902.02 of NYSE Listed Company Manual,  
relating to listing fees for share rights plan securities

---

| <u>CONTENTS</u>   | <u>PAGE</u> |
|---|-------------|
| 1. Text of Proposed Rule Changes.....   | 1           |
| 2. Procedures of the Self-Regulatory Organization.....  | 1           |
| 3. Self-Regulatory Organization’s Statement of the Purposes of,<br>and Statutory Basis for, the Proposed Rule Changes.....                      | 2           |
| 4. Self-Regulatory Organization’s Statement<br>on Burden on Competition .....   | 2           |
| 5. Self-Regulatory Organization’s Statement<br>on Comments on the Proposed Rule Changes<br>Received from Members, Participants, or Others ..... | 3           |
| 6. Extension of Time Period for Commission Action .....   | 3           |
| 7. Basis for Summary Effectiveness Pursuant to<br>Section 19(b)(3) or for the Accelerated Effectiveness<br>Pursuant to Section 19(b)(2).....    | 3           |
| 8. Proposed Rule Changes Based on Rules of Another<br>Self-Regulatory Organization or of the Commission .....                                   | 3           |
| 9. Exhibits .....   | 3           |
| Exhibit I - Form of Notice of Proposed Rule<br>Changes for <u>Federal Register</u>  |             |

Proposed Rule Change Relating to  
Share Rights \* Listing Fees

1. Text of the Proposed Rule Change

- (a) The text of the proposed amendments to Paragraph 902.02 of the NYSE Listed Company Manual appears below. Additions are underscored; deletions are [bracketed].

Listing Fee for Share Rights

A fee of \$1,270 will be charged for share rights plans [that have become effective subsequent to May 1, 1986].

Upon the share rights becoming exercisable and tradable separately from the common stock:

- An initial fee would be charged on the share rights then outstanding and on additional issuances of rights.
- Share rights would be subject to the Exchange's continuing annual fee schedule.

Application of the fee is retroactive to August 1, 1984.

[Companies whose share rights plans became effective on or before May 1, 1986, must pay the full initial fee, but will not be subject to any additional fees until the rights become exercisable and tradable separately from the common stock, at which time there will be a fee for additional issuances of rights and the Exchange's continuing annual listing fee schedule will become applicable.]

- (b) The Exchange does not expect this proposed rule change to have any direct effect, or significant indirect effect, on the application of any other Exchange rule.
- (c) There are no existing rules specified in response to Item 1(b) as to which prior filings are to be identified.

2. Procedures of the Self-Regulatory Organization

- (a) The Exchange's Finance Committee approved this proposed rule change on June 5, 1986. Approval of the Exchange's Board was received on June 5, 1986.

---

\* Also known as "warrant dividends" or "poison pills".

- (b) The following persons on the staff of the Exchange are prepared to respond to questions and comments on this proposed rule change:

| <u>Staff Member</u> | <u>Telephone</u> |
|---------------------|------------------|
| Richard A. Grasso   | (212) 623-5150   |
| William R. Bors     | (212) 623-4780   |

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

---

- (a) Purpose - The purpose of this proposed rule change is to amend the fee for share rights. This amendment supersedes the share rights fees described in File No. SR-NYSE-86-13. Better known as "poison pill" securities, share rights typically are not exercisable until certain triggering events occur. These triggering events usually pertain to the announcement of a tender offer for the issuer's shares or the purchase of a specific percentage of the issuer's shares. Prior to the time the share rights are exercisable, they do not trade separately from the common stock, and they are evidenced by and transferable only with the common stock.

The Exchange has been listing share rights since August, 1984 and, until May 1, 1986, had been charging the currently applicable initial listing fees as set forth in paragraph 902.02 of the NYSE Listed Company Manual. The proposed rule change would result in a fee of \$1,270 for all share rights plans. Should the rights subsequently become exercisable and tradable separately from the common stock, the Exchange's standard initial listing fee schedule would be applied as would its continuing annual fee schedule.

Application of the fee is retroactive to August 1, 1984.

- (b) Statutory Basis - The basis under the 1934 Act for this proposed rule change is the requirement under section 6(b)(4) that an exchange have rules that provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that this proposed rule change will not impose any burden on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

---

The Exchange has not solicited, and does not intend to solicit, comments regarding this

proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties regarding this rule change. However, the Exchange has received correspondence from listed companies, which, while not specifically addressed to this rule change, commented negatively on the earlier imposition of a full initial fee in connection with share rights listings and suggested that any fee change should apply to all companies similarly.

6. Extension of Time Period for Commission Action

Inapplicable

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness pursuant to Section 19(b)(2)

---

- (a) This proposed change is filed pursuant to paragraph (A) of section 19(b)(3).
- (b) This proposed rule change establishes dues, fees or other charges and, as such, may take effect upon filing with the Commission pursuant to section 19(b)(3)(A).
- (c) Not applicable.
- (d) Not applicable.

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

---

This proposed rule change is not based on a rule of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit I - Form of Notice of Proposed Rule Change for Publication in the Federal Register.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the self-regulatory organization has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

NEW YORK STOCK EXCHANGE, INC.

By: \_\_\_\_\_  
James E. Buck  
Secretary

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34 - ; File No. SR-NYSE-86-16)

Self Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by New York Stock Exchange, Inc. relating to Listing Fees for Share Rights Plan Securities.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,

15 U.S.C. 78s(b)(1), notice is hereby given that on \_\_\_\_\_, 1986, the New York Stock Exchange, Inc. filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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

- (a) The text of the proposed amendments to Paragraph 902.02 of the NYSE Listed Company Manual appears below. Additions are underscored; deletions are [bracketed].

Listing Fee for Share Rights

A fee of \$1,270 will be charged for share rights plans [that have become effective subsequent to May 1, 1986].

Upon the share rights becoming exercisable and tradable separately from the common stock:

- An initial fee would be charged on the share rights then outstanding and on additional issuances of rights.
- Share rights would be subject to the Exchange's continuing annual fee schedule.

Application of the fee is retroactive to August 1, 1984.

[Companies whose share rights plans became effective on or before May 1, 1986, must pay the full initial fee, but will not be subject to any additional fees until the rights become exercisable and tradable separately from the common stock, at which time there will be a fee for additional issuances of rights and the Exchange's continuing annual listing fee schedule will become applicable.]

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. 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) Purpose - The purpose of this proposed rule change is to amend the fee for share rights. This amendment supersedes the share rights fees described in File No. SR-NYSE-86-13. Better known as “poison pill” securities, share rights typically are not exercisable until certain triggering events occur. These triggering events usually pertain to the announcement of a tender offer for the issuer’s shares or the purchase of a specific percentage of the issuer’s shares. Prior to the time the share rights are exercisable, they do not trade separately from the common stock, and they are evidenced by and transferable only with the common stock.

The Exchange has been listing share rights since August, 1984 and, until May 1, 1986, had been charging the currently applicable initial listing fees as set forth in paragraph 902.02 of the NYSE Listed Company Manual. The proposed rule change would result in a fee of \$1,270 for all share rights plans. Should the rights subsequently become exercisable and tradable separately from the common stock, the Exchange’s standard initial listing fee schedule would be applied as would its continuing annual fee schedule.

Application of the fee is retroactive to August 1, 1984.

Statutory Basis - The basis under the 1934 Act for this proposed rule change is the requirement under section 6(b)(4) that an exchange have rules that provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that this proposed rule change will not impose any burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

---

The Exchange has not solicited, and does not intend to solicit, comments regarding this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties regarding this rule change. However, the Exchange has received correspondence from listed companies, which, while not specifically addressed to this rule change, commented negatively on the earlier imposition of a full initial fee in connection with share rights listings and suggested that any fee change should apply to all companies similarly.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3) of the Securities Exchange Act of 1934 and subparagraph (e) of Securities Exchange Act Rule 19b-4. At any time within 60 days of the filing of such 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 Securities Exchange Act of 1934.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. 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 Section, 450 Fifth Street, N.W., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the above mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by [insert date 21 days from date of publication].

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

June 17, 1986

John Wheeler

Secretary