NYSE Euronext

NYSE Alternext US LLC

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BY EMAIL AND OVERNIGHT COURIER

Ms. Florence E. Harmon
Acting Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File No. SR-Amex-2008-70; Release No. 34-58570

Dear Ms. Harmon:

NYSE Alternext US LLC ("Alternext" or the "Exchange"), successor to the American Stock Exchange LLC, writes to respond to the October 10, 2008 comment letter (the "Letter") jointly submitted by two of the Exchange's equity specialist firms (the "Specialists") in response to the above-referenced proposal to revise the Exchange's initial listing process by (i) eliminating the current appeal process for initial listing decisions by the Exchange, including the elimination of the two alternative listing standards on which almost all such initial listing appeals are based, and (ii) adding a new mandatory confidential pre-application eligibility review process for the benefit of companies considering an initial listing on the Exchange. Because the Specialists' comments deal only with the portion of the proposal that eliminates the two alternative listing standards, the comments that follow are limited to that topic.

On the second page of the Letter, the Specialists state that they "are left entirely in the dark" by the Exchange's assertion that the elimination of these two alternative listing standards will "strengthen and enhance its initial listing standards" by requiring that all companies that list on the Exchange meet the requirements of the Exchange's regular initial listing standards. As explained in the proposal, the Exchange has made a business determination to eliminate the alternative listing standards which impose less stringent standards than the regular initial listing standards. Specifically, as shown in Exhibit A hereto, alternative listing standards A and B impose lower quantitative requirements on the same applicable parameters than do initial listing standards 1 and 2, respectively. Elimination of the alternative listing standards will thus require that all companies seeking listing on the Exchange must satisfy the more stringent regular listing standards, and we believe it is self evident that in comparison this will strengthen and enhance the Exchange's initial listing standards.[1]

[1] It is interesting to note that prior to the adoption of the alternative standards, the Exchange had a practice of listing companies under certain circumstances even if they did not fully meet all the initial listing standards.

We note that Section 1203(c) of the Company Guide requires that a Listing Qualifications Panel ("Panel") of the Exchange's Committee on Securities must identify the existence of "mitigating factors" to warrant a listing pursuant to the alternative listing standards. This process, which is designed to identify companies worthy of listing pursuant to the less stringent alternative listing standards, is disproportionately cumbersome and resource intensive given the small number of companies listed pursuant to the alternative listing standards. For each company seeking listing under the alternative listing standards, the Exchange must conduct a hearing before a Panel to consider the company, which requires both staff and Panel members' time and effort. The following table shows how few companies have been approved for listing under the alternative listing standards for each full year since their adoption in 2002, in comparison with the number of companies approved for listing under the regular listing standards in the corresponding year. Elimination of the alternative listing standards will thus have a relatively minimal impact on potential listed companies or Exchange equity specialists.

Year	2003	2004	2005	2006	2007	YTD 2008
Regular Standards (by Staff)	69	87	93	63	107	36
Alternative Standards (by Panel)	4	2	3	3	2	2

The Specialists express concern in the Letter with the "highly negative impact" on those companies that will not otherwise qualify for listing on the Exchange if the alternative initial listing standards are eliminated. This is, in fact, an argument against setting any minimum standards at all since there will always be companies that fall below any reasonable standards that are set. The Exchange believes that adequate trading venues, such as the OTC Bulletin Board, exist for those companies that, although public, cannot meet the Exchange's regular initial listing standards. To the extent that any such companies continue to grow while trading elsewhere, the possibility exists that they may be able to qualify for listing at a later time under the Exchange's regular initial listing standards.

While the Exchange believed that the alternative structure was appropriate in 2002 when the alternative listing standards were adopted, for the reasons noted above the Exchange is now of a different view. The Specialists suggest in the Letter that the Exchange must justify its elimination of the alternative listing standards by demonstrating that the companies listed under those standards have "performed more poorly than companies that have been listed under the remaining listing standards." The Exchange's view is that a decision to reasonably

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That practice was criticized, and the alternative standards were an evolutionary change intended to make more specific and transparent the basis on which a company that did not meet the regular standards could be admitted to listing. *See* Release No. 34-45451 (February 14, 2002) (SR-Amex-2001-47). The Exchange is now determining that all companies must meet the regular initial listing standards in order to be listed.

increase its listing standards is a business decision that is within its purview, and that such a decision does not require the Exchange to either demonstrate that companies that have already listed under the alternative standards have performed worse than others or to otherwise denigrate such companies. The Exchange notes that such companies are and will continue to be subject to the same continued listing requirements as apply to companies listed under the regular initial standards.

Finally, the Specialists question whether NYSE Euronext supports the proposed changes. While the Exchange does not believe there is any legitimate confusion on this point, for the avoidance of doubt it confirms such support. In fact, and as noted in the filing, the proposed changes to the Exchange's initial listing process, including the elimination of the alternative listing standards, were part of its strategic business planning in anticipation of its acquisition by NYSE Euronext, and were aimed at more closely aligning its listing process with that of the New York Stock Exchange. Following the closing of the acquisition on October 1, 2008, that business rationale is even more compelling and the Exchange seeks to implement these changes at the earliest possible date, including the elimination of these alternative listing standards.

We trust the foregoing adequately addresses the comments of the Specialists. Should the Staff have further questions, please feel free to contact Bill Love at (212) 656-4442.

Respectfully submitted,

Janet M Kissane

Corporate Secretary
NYSE Alternext US LLC

cc: Sharon M. Lawson, Securities and Exchange Commission
Susie Cho, Securities and Exchange Commission
Rebekah Goshorn, Securities and Exchange Commission

EXHIBIT A

Comparison of Regular Initial Listing Standards[2] vs. Alternative Initial Listing Standards[3]

INITIAL LISTING STANDARD 1 vs. ALTERNATIVE LISTING STANDARD A

Stockholders' Equity -- $4,000,000 vs. $3,000,000

Pre-tax Income from Continuing Operations -- $750,000 vs. $500,000

Distribution -- 500,000 shares public distribution and 800 public shareholders (vs. 400,000 and 600, respectively) or 1,000,000 shares public distribution and 400 public shareholders (vs. 800,000 and 300, respectively)

Stock Price -- $3 vs. $2

Aggregate Market Value of Publicly Held Shares -- $3,000,000 vs. $2,000,000

INITIAL LISTING STANDARD 2 vs. ALTERNATIVE LISTING STANDARD B

History of Operations – 2 years vs. 2 years

Stockholders' Equity -- $4,000,000 vs. $3,000,000

Distribution -- 500,000 shares public distribution and 800 public shareholders (vs. 400,000 and 600, respectively) or 1,000,000 shares public distribution and 400 public shareholders (vs. 800,000 and 300, respectively)

Stock Price -- $3 vs. $2

Aggregate Market Value of Publicly Held Shares -- $15,000,000 vs. $10,000,000

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[2] *See* Section 101 of the NYSE Alternext US Company Guide.

[3] *See* Section 1203(c) of the NYSE Alternext US Company Guide.