

Ms. Vanessa Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Re: SR-NYSE-2023-09, Proposed Rule Change to Amend the NYSE Listed Company Manual to Adopt Listing Standards for Natural Asset Companies

Dear Ms. Countryman:

I applaud the Commission's choice to institute proceedings to determine whether to approve or disapprove the New York Stock Exchange's proposed rule change regarding the listing of natural asset companies (NACs). The proposal raises a number of important concerns, and the Commission deserves credit for creating an opportunity for the public to air those concerns fully and for the Commission to deliberate adequately about them.

Perhaps foremost among the issues raised by the proposal is the prospect of use of the nation's premier stock exchange to raise funds for enterprises that do not include among their aims the making of profit. The Exchange's proposal would allow NACs to engage in revenue-generating operations only when "consistent with the company's primary purpose" to "actively manage, maintain, restore ... and grow the value of natural assets."<sup>1</sup> NACs for which revenue-generation is not consistent with this primary purpose may not engage in generating revenue, let alone try to make a profit.

The American people have a long history of donating private funds for public purposes. However, the securities exchanges have historically not been the venue for such contributions. Nor is it the purpose of the legal regime under which the exchanges operate. Instead, the exchanges exist to facilitate capital formation for investment, i.e., the allocation of capital with a view toward achieving a financial return. By allowing the Exchange to be used to form capital for activities that do not generate financial returns, the proposed rule would risk confusing retail investors who come to the Exchange with a view toward making investments that will provide for themselves and their families. These investors may invest in an NAC without realizing that the company does not aim at making a profit.

For this reason, the Exchange's proposal seems misguided to me. After all, the main purpose of the securities laws is to promote transparency that reduces investor confusion. If the Commission elects nevertheless to approve the proposal, I urge that it do so contingent on a change: the Exchange should require NACs to disclose that the company aims at generating

---

<sup>1</sup> 88 Fed. Reg. at 68814.

revenue only when consistent with its primary purpose of conservation and so may not generate revenue or make a profit. NACs should be required to make the disclosure in such format as is likely to be easily and immediately intelligible to retail investors.

Sincerely,

Paul J. Ray<sup>2</sup>

---

<sup>2</sup> Director, Thomas A. Roe Institute for Economic Policy Studies, The Heritage Foundation. I offer this comment in my personal capacity; affiliation information is provided for informational purposes only.