



NASAA

**NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.**

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December 18, 2003

Jonathan Katz, Secretary  
U.S. Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, DC 20549

**RE: NYSE Amendments to Listed Company Manual on Corporate Governance**  
Release No. 34-48745; File No. SR-NYSE-2002-33,

Dear Mr. Katz:

The North American Securities Administrators Association, Inc. (NASAA), an organization representing state securities regulators in the United States, Canadian provincial securities regulators, and the securities regulatory authorities of Mexico, Puerto Rico and the District of Columbia, appreciate the opportunity to comment on the above-referenced amendments to the Listed Company Manual (Manual) of the New York Stock Exchange (NYSE) regarding corporate governance (Amendments).

NASAA particularly would like to comment on the provision of the Amendments which exempts "controlled companies" from the independent director requirements of Section 303A(1), the corporate governance committee requirements of Section 303A(4) and the compensation committee requirements of Section 303A(5). The Amendments define a controlled company as one in which more than 50% of the voting power is held by an individual, a group or another company.

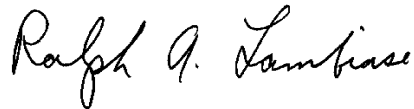
NASAA thinks that individual investors purchasing shares in a company whose shares are listed on NYSE have an expectation that their shares entitle them to participation in the corporate governance of that company on an equal footing with all other equity participants in the company. Under the Amendments, a company seeking to vest voting control of the enterprise in a few persons or groups of persons by maintaining multiple classes of stock which provide for disproportionate voting rights over the class of NYSE listed shares would be deemed to be a controlled company and exempt from compliance with Sections 303A(1), (4) and (5) of the Manual.

NASAA thinks this ill-advised. Companies with multi-class capitalization structures may deprive holders of listed shares from equal participation in the governance of the enterprise, even though these shareholders often contribute the vast majority of equity capital. If NYSE is going to list shares of companies with multi-class capitalization structures that maintain disparate voting rights among classes so as to give voting control to a few persons or groups of persons, then investors should be provided some minimum level of protection through compliance with, and enforcement of, all the provisions contained in Section 303A of the NYSE Manual.

NASAA does not object to the Amendments' proposal to exempt companies from compliance with Section 303A(1), (4) and (5) of the Manual where more than 50% of the voting power is held by an individual, a group or another company in cases where: (1) the company maintains only one class of voting equity securities; (2) the company's other classes of equity securities are unlisted and non-voting; or (3) the combination of votes accorded to all other classes of the company's equity securities or privileges attached thereto cannot affect a majority vote of the class of voting securities listed on NYSE.

Thank you for the opportunity to comment on the Amendments. If you have any questions please call Denise Voigt Crawford, NASAA Corporation Finance Section Chair, at (512) 305-8300 or Robert Lam, NASAA Shareholders Rights Project Group Chair, at (717) 783-5130.

Very truly yours,

A handwritten signature in cursive script that reads "Ralph A. Lambiase".

Ralph A. Lambiase  
President

RAL:gpr