



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
TRADING AND MARKETS

February 20, 2026

Michael L. Post
President, CEO, and General Counsel
Securities Investor Protection Corporation
1667 K St. N.W., Suite 1000
Washington, DC 20006-1620

Re: Donation of New York Stock Exchange Special Trust Fund Assets

Dear Mr. Post:

The Division of Trading and Markets (“Division”) is in receipt of your letter dated February 20, 2026 (“Letter”).¹ In summary, your Letter states that the New York Stock Exchange (“NYSE”) has offered to the Securities Investor Protection Corporation (“SIPC”) the proceeds of a special trust fund (“STF”) it established for customer protection prior to the enactment of the Securities Investor Protection Act of 1970 (“SIPA”). Your Letter further states that the STF has not been utilized in several decades and the proceeds would be better utilized as a donation to the SIPC Fund.² Finally, your Letter states that SIPC has the authority to accept such a donation, and that SIPC believes that its acceptance of such a donation does not require it to reduce the SIPC assessments of current NYSE-regulated members.

On the basis of the facts and representations contained in your Letter (and without necessarily agreeing with any conclusions or analysis set forth therein), staff of the Division will not recommend enforcement action to the Securities and Exchange Commission under § 78ddd(e)(1) of SIPA if SIPC accepts the proceeds of the NYSE STF utilizing authority granted to it under SIPA.³

This Division staff position is based strictly on the facts and circumstances stated in your Letter. Any different facts or circumstances from those set forth in your Letter may require a different response. Furthermore, this response expresses the Division staff’s position on enforcement action under § 78ddd(e)(1) of SIPA and does not express any legal conclusions on the question presented. The Division staff expresses no view with

¹ A copy of the Letter is attached.

² See 15 U.S.C. 78ddd(a).

³ See 15 U.S.C. 78ccc(b)(6).

respect to any other questions that the proposed activity may raise, including the applicability of any other federal, state, or foreign laws, or rules of any self-regulatory organization. This position is subject to modification or revocation if at any time.

Sincerely,

Raymond A. Lombardo
Assistant Director
Division of Trading and Markets



SECURITIES INVESTOR PROTECTION CORPORATION
1667 K STREET, N.W., SUITE 1000
WASHINGTON, D.C. 20006
(202) 371-8300
WWW.SIPC.ORG

February 20, 2026

Via E-mail

Michael A. Macchiaroli
Associate Director
Division of Trading and Markets
U.S. Securities and Exchange Commission
100 F Street N.W.
Washington, DC 20549
macchiarolim@sec.gov

Re: Donation of Trust Fund Assets

Dear Mr. Macchiaroli:

This letter is to apprise you of a proposed donation to the Securities Investor Protection Corporation (“SIPC”) and to request no-action relief.

The New York Stock Exchange LLC (“NYSE”) has offered, on behalf of itself and the Members of its Board of Directors in their capacity as Trustees of the NYSE Special Trust Fund (the “STF”), to donate the STF’s remaining assets (the “Trust Assets”), totaling approximately \$25 million as of June 30, 2025, to SIPC. Due to certain restrictions of the STF, NYSE proposes to make the donation provided that the Trust Assets are not transferred to current NYSE-regulated members. This includes an effective transfer through any reduction in current NYSE-regulated members’ SIPC assessments. As explained below, SIPC has the statutory authority under the Securities Investor Protection Act of 1970, 15 U.S.C. §§ 78aaa–78lll (“SIPA”),¹ to accept the donation into the SIPC Fund without reducing the assessment payment obligations of current NYSE-regulated members. SIPC requests confirmation that the staff of the Securities and Exchange Commission will not recommend any enforcement action with respect to or based upon SIPA § 78ddd(e)(1)

¹ Future references to SIPA shall omit 15 U.S.C.

should SIPC accept the donation from the NYSE with no assessment reduction for its regulated members..

I. Background

The Board of Governors of the former New York Stock Exchange, an unincorporated association (the “Exchange”), established the STF under a Deed of Trust dated July 30, 1964. Created before the enactment of SIPA, the STF originally served much of the same purpose later fulfilled by SIPC: to assist customers of Exchange members when those members became insolvent.

A. The NYSE members when SIPA was enacted bear little to no relation to current NYSE-regulated “members”

Following the reorganization of the Exchange in 1972 and a corporate merger in 2005, the Exchange was no longer an unincorporated association of members; it became NYSE, first a New York not-for-profit corporation and then a subsidiary of a publicly owned for-profit company, governed by a Board of Directors. The STF was accordingly amended and restated, first in 1972 and again in 2006, to designate the Board of Directors of NYSE as the Trustees of the STF. Its current “members” are now the broker-dealers that it regulates and differ significantly in composition, number, and function from the members of the Exchange at the time the STF was created and at the time SIPA was enacted.

B. The STF offers the donation on the condition that it cannot benefit currently regulated “members”

The STF has been inactive for several decades, and the Trustees have elected to terminate it. The Deed of Trust provides that, upon termination of the STF, the Trust Assets should be used in a manner consistent with the STF’s original purpose and may not be transferred to NYSE or any of its members. Because of the alignment of the STF’s original purpose and SIPC’s mandate, the Trustees have authorized and approved the termination of the STF and the offering of the donation of the Trust Assets to SIPC for deposit in the SIPC Fund. However, in compliance with the Deed of Trust, NYSE proposes that the donated Trust Assets not be effectively transferred to current NYSE-regulated members by reducing any of their SIPC assessment obligations.

After SIPC staff discussions with NYSE and consideration of NYSE’s offer, the SIPC Board has agreed to accept the donation without any reduction in assessment obligations pending confirmation that the Commission staff would not recommend any enforcement action with respect to or based upon SIPA § 78ddd(e)(1) should SIPC accept the donation.

II. SIPC’s Statutory Authority to Accept Donations and Contributions

Under SIPA, Congress granted SIPC the power “to lease, purchase, *accept gifts or donations of* or otherwise acquire, to own, hold, improve, use, or otherwise deal in or with, and to sell, convey, mortgage, pledge, lease, exchange or otherwise dispose of, *any property*, real, personal or mixed, or any interest therein, wherever situated” SIPA § 78ccc(b)(6) (emphasis added). Congress’s

choice to enumerate amongst SIPC's powers the acceptance of gifts and donations specifically indicates that Congress intended SIPC to do just that. All amounts received by SIPC are deposited in the SIPC Fund to be used in fulfilling SIPC's mission. SIPA § 78ddd(a)(1). Under a SIPA provision on "prior trusts," SIPA § 78ddd(e)(1) ("Prior Trust Provision"), the funds of a trust established by a self-regulatory organization (an "SRO") prior to January 1, 1970, may be contributed and transferred to SIPC.²

III. History of Donations and Transfers to SIPC

SIPC has received over twenty donations and contributions in its history. SIPC has received contributions from SRO trust funds – the American Stock Exchange in 1971³ and the Philadelphia Stock Exchange in 1997–98⁴ – in addition to contributions stemming from legal actions, such as Commission-accepted offers of settlement or restitution or a cy pres award.

IV. SIPC Has Agreed to Accept the Donation for Deposit into the SIPC Fund

A. Congress intended that SIPC be able to accept donations to benefit the investing public

SIPC does not believe that the donation requires a reduction in the assessments for current NYSE-regulated "members." Congress granted SIPC unambiguous legal authority to accept donations with the intention that it would be able to do so for the public good. NYSE has offered the Trust Assets as a donation to SIPC precisely because the funds were originally intended to protect the investing public against the risks of broker-dealer failure, and SIPC now continues that mission.

² At SIPC's discretion and with Commission approval, such a transfer can be the basis for a reduction in assessments for the members of the SRO. SIPA § 78ddd(e)(1). ("[T]he amounts so contributed and transferred shall be applied, as may be determined by SIPC with approval of the Commission, as a reduction in the amounts payable pursuant to assessments made or to be made by SIPC upon members of such [SRO.]").

³ While the contribution from the American Stock Exchange was applied, at least in part, to reduce American Stock Exchange member assessments, the Commission's approval of the Exchange's and SIPC's plan recognized that a reduction in the relevant SRO members' assessments is not statutorily mandatory. Specifically, the Commission's approval envisioned that any reduction in member assessments could be suspended indefinitely, based on circumstances that could have occurred even before any reduction began:

[T]he plan approved by the Commission [to accept the contribution from the American Stock Exchange trust] provided, in accordance with Section 4(e)(1), that no reduction would be permitted at any time when there was outstanding any borrowing by SIPC pursuant to Section 4(g) of the Act or any borrowings under confirmed lines of credit. The plan also provided that SIPC had the right to suspend application of the assessment reduction at any time during the term of the plan for "justifiable financial reasons."

See Letter from Commission Chairman Ray Garrett, Jr. to President Gerald R. Ford (Aug. 5, 1975), available at https://www.sechistorical.org/collection/papers/1970/1975_0805_GarrettFordT.pdf.

⁴ The Philadelphia Stock Exchange contribution did not cause any reduction in its members' assessments.

The donation would be deposited in the SIPC Fund and could be used consistently with SIPA, benefiting the investing public.

SIPC believes the Trust Assets can be accepted as a simple donation under SIPA § 78ccc(c)(6) rather than a contribution under the Prior Trust Provision. Nevertheless, even if the donation from NYSE falls within the scope of the Prior Trust Provision, NYSE's proposed plan would be for there to be no assessment reduction. The current NYSE-regulated "members" are neither identifiably nor categorically the same Exchange members who, along with the then unincorporated Exchange entity, created the STF in 1964. As noted above, little, if any, overlap exists between those prior Exchange members and the current NYSE-regulated members.

Importantly, NYSE, because of the restrictions in the STF Deed of Trust, will not make the donation if the Trust Assets will be effectively transferred to any current NYSE-regulated members by reducing their assessments. Accordingly, requiring a reduction of NYSE member assessments would negate the purpose of the donation. This would undermine NYSE's donor intention and the Trustees' determination that a donation to SIPC would best fulfill the STF's purpose.

V. Conclusion

In conclusion, SIPC respectfully requests that the Commission staff confirm that should SIPC accept the donation of the remaining Trust Assets (totaling approximately \$25 million) with no assessment reduction for NYSE member organizations, it would not recommend any enforcement action with respect to or based upon the Prior Trust Provision. The donation would fulfill the STF's purpose and increase the SIPC Fund to further the salutary public purposes of SIPA.

Sincerely,

Michael L. Post
President & CEO

cc: Raymond A. Lombardo (lombardor@sec.gov)
Timothy C. Fox (foxt@sec.gov)