



Notice

Market Operations & Trading Floor Systems

Date: October 10th, 2006
To: Members, Member Organizations, and Service Bureaus
From:
Subject: CMS and Order Processing Enhancements

Intermarket Sweep Order (ISO Identifier)

In compliance with SEC Rule 611, the Amex will accept Intermarket Sweep Orders on securities migrated to AEMI. Each participating order must contain the qualifier “ISO” in field 2 of Line 1A. For example, “AM ISO” will direct orders to AEMI for execution on the Amex. It is to be noted that the only acceptable “Time-In-Force” for an ISO is Immediate-or-Cancel (OC).

End-of-Day “Nothing Done” Messages

As equities are migrated to AEMI, automatic end-of-day “Nothing Done” admin messages will be discontinued. “Request Status” admins sent intra day will be delivered to AEMI for a response. During the migration period, orders for equity symbols remaining on the “old” platform will continue to receive this end-of-day message.

Sub-Penny Handling

In accordance with the sub-penny pricing rule mandated by the SEC, orders will be accepted and trades disseminated in sub-penny increments of up to four positions to the right of the decimal point (\$.0001) for equity symbols migrated to AEMI.

Orders for symbols that have not migrated to AEMI will be processed as they are today – in pennies. Orders entered with more than two (2) digits to the right of the decimal point will be truncated if the extra digits are all zeros. If the extra digits contain a significant number (1 through 9) the order is rejected back to the entering firm with an appropriate message.

Unique Order Identifiers

Members and Member Firms entering orders for equities that have migrated to AEMI must enter each order with a unique Branch Code and Sequence Number per order entry mnemonic -- daily. If an order entry firm mnemonic repeats a Branch Code and Sequence Number during the trading day for an equity that has migrated to AEMI, the order with the repeated Branch Code and Sequence number will be rejected. For AEMI equities, over the course of a trading day, you may only repeat a Branch Code and Sequence number if the entering firm mnemonic is different.

Branch Codes currently restricted by CMS will continue to be restricted.



Non-Regular Way Orders

For equities migrated to AEMI, the terms “Cash” and “Next Day” will only be accepted if the issue is trading “Cash” or “Next Day” exclusively. “Seller’s Option” will not be an applicable term for equities that migrate to AEMI. Orders with invalid settlement terms will be rejected back to the entering firm.

Booth Routing

As stated in the Amex Notice dated March 3, 2006,* BARS algorithmic routing is being discontinued. Unless a valid booth ID is entered on Line 1A of an order, the order will be automatically routed to the trading post for processing.

For firms using CMS, in order to route an order to a booth, Line 1A must be populated with:

- A valid Booth ID. For example, “AM OVR B—XYZ” will route the order to booth XYZ.
- To direct an order to a mnemonic’s default booth, Line 1A may be populated with the default booth’s ID (“AM OVR B—XYZ”) **or** a default routing code of “B—ARS” (“AM OVR B-ARS”).

This applies to orders for all Amex products traded through CMS. In addition, all subsequent correspondence pertaining to an order directed to a booth, such as a cancel or cancel/replace order, must also specify the Booth ID indicated on the original order.

Please note: relationships must be pre-established by the Amex prior to routing an order to a specific booth. For more information on routing relationships and Amex Booth ID’s please contact Frank Vento at the number provided below.

Orders entered by a Floor Broker with a Branch Code of ZZZ will continue to be reported back to the booth upon execution.

* www.amex.com/amextrader/tdrInfo/data/axNotices/2006/030306b.html



“Drop Copy” Service

CMS “Drop Copy” service for orders entered on the trading floor through BARS will be discontinued. Clearing firms will continue to have available copies of BARS executions through MQ outbound messaging service. Questions regarding this service are to be directed to Peter Fetiak at 212/ 306-1472.

CMS “Drop Copy” service for orders entered off floor is not affected. This change is applicable only to orders entered on the trading floor through BARS.

Crossing Session (After-Hours Trading)

As equity issues are migrated to the new AEMI platform, their participation in the after-hours crossing sessions will be discontinued. On the evening prior to migration to AEMI, all orders on file for a migrating issue with a time in force of GTX will be automatically deleted.

Bust / Bust-Re-instate Messages

The processing of Bust and Bust/Reinstate performed by the Amex Service Desk for corrections will change for equities on AEMI and for orders entered in FIX. The following chart highlights the differences:

	Bust and Reinstate	Bust – Do Not Reinstate Order
Today	<ol style="list-style-type: none"> 1. Execution Bust Message sent to Entering Firm: Quantity previously reported as executed now open 	<ol style="list-style-type: none"> 1. Execution Bust Message sent to Entering Firm: Quantity previously reported as executed is now open. 2. Order Delete Message sent to Entering Firm: Order/Open quantity is now deleted.
AEMI through CMS	<ol style="list-style-type: none"> 1. Execution Bust Message sent to Entering Firm. 2. UROUT for quantity busted sent to entering firm. 3. Service Desk calls entering firm to confirm reinstatement of order/open quantity. 	<ol style="list-style-type: none"> 1. Execution Bust Message sent to entering firm. 2. UROUT for busted quantity sent to entering firm.
AEMI using FIX Protocol	<ol style="list-style-type: none"> 1. Trade Cancel Message sent to entering firm. 2. Order Reinstatement Message sent to entering firm. 	<ol style="list-style-type: none"> 1. Trade Cancel Message sent to entering firm.

Questions regarding this notice may be directed to Peter Fetiak at 212/306-1472, Shirley Thompson at 212/306-1161, or Frank Vento at 212/306-1735.