

Proposed Rule Change by American Stock Exchange  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

|  |                                       |  |   |  |   |
|--|---------------------------------------|--|---|--|---|
| Initial<br><input checked="" type="checkbox"/>                             | Amendment<br><input type="checkbox"/> | Withdrawal<br><input type="checkbox"/> | Section 19(b)(2)<br><input type="checkbox"/>    | Section 19(b)(3)(A)<br><input checked="" type="checkbox"/> | Section 19(b)(3)(B)<br><input type="checkbox"/> |
| Pilot<br><input type="checkbox"/>  |                                       |  | Rule  |  |   |
| Extension of Time Period for Commission Action<br><input type="checkbox"/> |                                       | Date Expires<br><input type="text"/>   | <input type="checkbox"/> 19b-4(f)(1)            | <input type="checkbox"/> 19b-4(f)(4)                       |   |
|  |                                       |  | <input checked="" type="checkbox"/> 19b-4(f)(2) | <input type="checkbox"/> 19b-4(f)(5)                       |   |
|  |                                       |  | <input type="checkbox"/> 19b-4(f)(3)            | <input type="checkbox"/> 19b-4(f)(6)                       |   |

|  |  |
|--|--|
| Exhibit 2 Sent As Paper Document<br><input type="checkbox"/> | Exhibit 3 Sent As Paper Document<br><input type="checkbox"/> |
|--|--|

**Description**  
Provide a brief description of the proposed rule change (limit 250 characters).

**Contact Information**  
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

|            |  |           |   |
|------------|--|-----------|---|
| First Name | <input type="text" value="Nyieri"/>                    | Last Name | <input type="text" value="Nazarian"/>       |
| Title      | <input type="text" value="Assistant General Counsel"/> |           |   |
| E-mail     | <input type="text" value="nyieri.nazarian@amex.com"/>  |           |   |
| Telephone  | <input type="text" value="(212) 306-1837"/>            | Fax       | <input type="text" value="(212) 306-2139"/> |

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date

By  (Name)  
 (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**1. Text of the Proposed Rule Change**

(a) The American Stock Exchange LLC (“Amex” or “Exchange”) proposes to modify its Options Fee Schedule. The text of the proposed rule change appears in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

**2. Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Exchange's Board of Governors on September 22, 2004. No further action by the Board or by the membership of the Exchange is required to be taken.

**3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

(a) *Purpose*

The Exchange is proposing to amend its Options Fee schedule to eliminate the licensing fee of \$0.10 a contract which is currently charged on options on the iShares Russell 1000 Index Fund (symbol: IWB), the iShares Russell 1000 Growth Index Fund (symbol: IWF) , the iShares Russell 1000 Value Index Fund (symbol: IWD), the iShares Russell 2000 Index Fund (symbol: IWM), the iShares Russell 2000 Growth Index Fund (symbol: IWO), the iShares Russell 2000 Value Index Fund (symbol: IWN), and the iShares Russell 3000 Index Fund (symbol: IWV) (collectively, the “ETF Options”).

The Exchange is proposing to eliminate the licensing fee applicable to the ETF Options as of January 3, 2007 due to the termination of existing licensing agreements on December 31, 2006.

The Exchange asserts that the proposal is equitable as required by Section 6(b)(4) of the Securities Exchange Act of 1934 (the “1934 Act”).<sup>1</sup>

(b) *Basis*

The proposed fee change is consistent with Section 6(b)(4) of the 1934 Act<sup>2</sup> regarding the equitable allocation of reasonable dues, fees and other charges among exchange members and other persons using exchange facilities.

4. **Self-Regulatory Organization's Statement on Burden on Competition**

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

5. **Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others**

No written comments were solicited or received with respect to the proposed rule change.

6. **Extension of Time Period for Commission Action**

The Exchange does not consent to an extension of the time period for Commission consideration of the proposed rule change specified in Section 19(b)(2) of the 1934 Act.<sup>3</sup>

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<sup>1</sup> Section 6(b)(4) requires that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

<sup>2</sup> 15 U.S.C. 78s(b)(4).

<sup>3</sup> 15 U.S.C. 78s(b)(2).

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

(a) This filing is made pursuant to Paragraph A of Section 19(b)(3) of the 1934 Act.<sup>4</sup>

(b) The filing relates solely to charges imposed on members by a self-regulatory organization and as such takes effect upon filing under Subsection (ii) of Paragraph (A).

(c) Not applicable.

(d) Not applicable.

8. **Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

The proposed rule change is not based on the rules of another Exchange.

9. **Exhibits**

List of Exhibits Filed:

1. Notice of Proposed Rule Change for publication in the **Federal Register**
2. Not applicable
3. Not applicable
4. Not applicable
5. Revised Options Fee Schedule

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<sup>4</sup> 15 U.S.C. 78s(b)(3).

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 34-                   ; File No. SR-Amex-2007-02)**

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating to Fee Changes**

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1), notice is hereby given that on \_\_\_\_\_, 2007, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The American Stock Exchange LLC ("Amex" or "Exchange") proposes to modify its Options Fee Schedule.

The text of the proposed rule change is available on the Amex's website at <http://www.amex.com>, the Office of the Secretary, the Amex and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-

regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

(1) Purpose

The Exchange is proposing to amend its Options Fee schedule to eliminate the licensing fee of \$0.10 a contract which is currently charged on options on the iShares Russell 1000 Index Fund (symbol: IWB), the iShares Russell 1000 Growth Index Fund (symbol: IWF) , the iShares Russell 1000 Value Index Fund (symbol: IWD), the iShares Russell 2000 Index Fund (symbol: IWM), the iShares Russell 2000 Growth Index Fund (symbol: IWO), the iShares Russell 2000 Value Index Fund (symbol: IWN), and the iShares Russell 3000 Index Fund (symbol: IWV) (collectively, the “ETF Options”).

The Exchange is proposing to eliminate the licensing fee applicable to the ETF Options as of January 3, 2007 due to the termination of existing licensing agreements on December 31, 2006.

The Exchange asserts that the proposal is equitable as required by Section 6(b)(4) of the Securities Exchange Act of 1934 (the “1934 Act”).<sup>1</sup>

(2) Statutory Basis

The proposed fee change is consistent with Section 6(b)(4) of the 1934 Act<sup>2</sup> regarding the equitable allocation of reasonable dues, fees and other charges among exchange members and other persons using exchange facilities.

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<sup>1</sup> Section 6(b)(4) requires that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

<sup>2</sup> 15 U.S.C. 78f(b)(4).

B. Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective immediately pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2)<sup>4</sup> thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in the furtherance of the purposes of the Securities Exchange Act of 1934.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

Use the Commission's Internet comment form at <http://www.sec.gov/rules/sro.shtml> or send an e-mail to [rulecomments@sec.gov](mailto:rulecomments@sec.gov). Please include File No. SR-Amex-2007-02 on the subject line.

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<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

Paper Comments:

Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–0609.

All submissions should refer to File No. SR-Amex-2007-02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet Web site at

<http://www.sec.gov/rules/sro.shtml>. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission’s Public Reference Room, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-Amex-2007-02 and should be submitted on or before [insert date 21 days from publication in the *Federal Register*].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

Dated:

Nancy M. Morris  
Secretary

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<sup>5</sup> 17 CFR 200.30–3(a)(12).

**SR Amex 2007-02  
EXHIBIT 5**

**AMERICAN STOCK EXCHANGE LLC  
Text of Options Fee Schedule**

It is proposed that the following provisions of the Options Fee Schedule be amended as set forth below. [Bracketing] indicates text to be deleted and underlining indicates text to be added.

**Options Fee Schedule**

**I Options Transaction Fee**<sup>(1)(5)</sup>  
(per contract side)

| Type  | Firm <sup>(2)</sup> | Specialist<br>Market Maker<br>(ROTs) <sup>(7)(10)</sup> | Supplemental<br>Registered<br>Options Traders<br>(SROTs) <sup>(7)</sup> | Non-Member<br>Market<br>Makers <sup>(8)</sup> | Broker/Dealer | Customer  |
|---|---------------------|---|---|---|---------------|-----------|
| Equity Options  | \$ 0.19             | \$0.10  | \$0.13  | \$0.20  | \$0.19        | No Charge |
| Exchange-Traded Fund Share<br>Options<br>(excluding QQQQ Options) | \$0.19              | \$0.10  | \$0.13  | \$0.20  | \$0.19        | \$0.08    |
| QQQQ Options  | \$0.19              | \$0.10  | \$0.13  | \$0.20  | \$0.19        | No Charge |
| Trust Issued Receipt (HOLDR)<br>Options                           | \$0.19              | \$0.10  | \$0.13  | \$0.20  | \$0.19        | \$0.08    |
| Index Options (excluding MNX<br>and NDX Options)                  | \$0.38              | \$0.21  | \$0.26  | \$0.21  | \$0.15        | \$0.38    |
| MNX and NDX Options   | \$0.15              | \$0.21  | \$0.26  | \$0.21  | \$0.15        | \$0.15    |

**II Options Comparison Fee**<sup>(1)(5)</sup>  
(per contract side)

|   |        |        |        |        |        |           |
|---|--------|--------|--------|--------|--------|-----------|
| Equity Options  | \$0.04 | \$0.05 | \$0.05 | \$0.05 | \$0.04 | No Charge |
| Exchange-Traded Fund Share<br>Options<br>(excluding QQQQ Options) | \$0.04 | \$0.05 | \$0.05 | \$0.05 | \$0.04 | \$0.04    |
| QQQQ Options  | \$0.04 | \$0.05 | \$0.05 | \$0.05 | \$0.04 | No Charge |
| Trust Issued Receipt (HOLDR)<br>Options                           | \$0.04 | \$0.05 | \$0.05 | \$0.05 | \$0.04 | \$0.04    |
| Index Options (including MNX<br>and NDX Options)                  | \$0.04 | \$0.05 | \$0.05 | \$0.05 | \$0.04 | \$0.04    |



| Type  | Firm <sup>(2)</sup> | Specialist,<br>Market Maker<br>(ROTs) <sup>(7)(10)</sup> | Supplemental<br>Registered<br>Options Traders<br>(SROTs) <sup>(7)</sup> | Non-Member<br>Market Makers <sup>(8)</sup> | Broker/Dealer | Customer  |
|---|---------------------|--|---|--|---------------|-----------|
| Vanguard ETF Options –<br>VCR, VDC, VDE, VFH,<br>VHT, VIS, VGT, VAW,<br>VPU, VOX, VNQ, VBK,<br>VBR, VO, VV, VUG, VTV,<br>VB and VIG | \$0.10              | \$0.10   | \$0.10  | \$0.10                                     | \$0.10        | No Charge |
| streetTRACKS ETF<br>Options – ELR, EMM,<br>EMG, EMV and DSC   | \$0.10              | \$0.10   | \$0.10  | \$0.10                                     | \$0.10        | No Charge |
| Russell Index and ETF<br>Options – RUT[, ] and<br>XLG[, IWB, IWF, IWD,<br>IWM, IWO, IWN and IWV]                                    | \$0.10              | \$0.10   | \$0.10  | \$0.10                                     | \$0.10        | No Charge |
| ICF, VXF, DXS, PPA,<br>SDY, XBI, XHB and XSD  | \$0.09              | \$0.09   | \$0.09  | \$0.09                                     | \$0.09        | No Charge |
| Rydex ETF Options –<br>RPG, RPV, RFG, RFV,<br>RZG and RZV   | \$0.09              | \$0.09   | \$0.09  | \$0.09                                     | \$0.09        | No Charge |
| OEF, PFM PZJ and GDY  | \$0.05              | \$0.05   | \$0.05  | \$0.05                                     | \$0.05        | No Charge |
| <b>VI Options Order Cancellation Fee<sup>(4)</sup></b>  |                     |  |   |  |               |           |
|   | \$1.00              | \$1.00   | N/A   | \$1.00                                     | \$1.00        | \$1.00    |
| <b>VII Broker-Dealer Auto-Ex Fees (per contract side)</b>   |                     |  |   |  |               |           |
| <b>Options Transaction Fee</b>  |                     |  |   |  |               |           |
| Equity Options  | \$0.50              | \$0.50   | N/A   | \$0.50                                     | \$0.50        | N/A       |
| Exchange-Traded Fund<br>Share Options (including<br>QQQQ Options)   | \$0.50              | \$0.50   | N/A   | \$0.50                                     | \$0.50        | N/A       |
| Trust Issued Receipt<br>(HOLDR) Options   | \$0.50              | \$0.50   | N/A   | \$0.50                                     | \$0.50        | N/A       |
| Index Options (including<br>MNX and NDX Options)  | \$0.50              | \$0.50   | N/A   | \$0.50                                     | \$0.50        | N/A       |
| <b>Options Comparison Fee</b>   |                     |  |   |  |               |           |
| Equity Options  | \$0.04              | \$0.05   | N/A   | \$0.05                                     | \$0.04        | N/A       |
| Exchange-Traded Fund<br>Share Options (including<br>QQQQ Options)   | \$0.04              | \$0.05   | N/A   | \$0.05                                     | \$0.04        | N/A       |
| Trust Issued Receipt<br>(HOLDR) Options   | \$0.04              | \$0.05   | N/A   | \$0.05                                     | \$0.04        | N/A       |
| Index Options (including<br>MNX and NDX Options)  | \$0.04              | \$0.05   | N/A   | \$0.05                                     | \$0.04        | N/A       |
| <b>Options Floor Brokerage Fee</b>  |                     |  |   |  |               |           |
| Equity Options  | \$0.03              | \$0.05   | N/A   | \$0.05                                     | \$0.03        | N/A       |

| Type  | Firm <sup>(2)</sup> | Specialist,<br>Market Maker<br>(ROT) <sup>(7)(10)</sup> | Supplemental<br>Registered<br>Options Traders<br>(SROT) <sup>(7)</sup> | Non-Member<br>Market Makers <sup>(8)</sup> | Broker/Dealer | Customer |
|---|---------------------|---|--|--|---------------|----------|
| Exchange-Traded Fund<br>Share Options (including<br>QQQQ Options) | \$0.03              | \$0.05  | N/A  | \$0.05                                     | \$0.03        | N/A      |
| Trust Issued Receipt<br>(HOLDR) Options                           | \$0.03              | \$0.05  | N/A  | \$0.05                                     | \$0.03        | N/A      |
| Index Options (including<br>MNX and NDX Options)                  | \$0.03              | \$0.05  | N/A  | \$0.05                                     | \$0.03        | N/A      |

(1) **Fee Reduction and Cap Programs—(a) Fee Reduction Program**—Options contracts executed as either an accommodation trade (also known as “Cabinet Trades”) or part of the following strategies: (i) reversals and conversions; (ii) dividend spreads; (iii) box spreads, (iv) butterfly spreads, (v) merger spreads and (vi) short stock interest spreads (“Spread Trades”) for the accounts of non-member market makers and non-member broker-dealers, will be subject to a reduced transaction fee so that the options transaction fee, the options comparison fee and the options floor brokerage fee are reduced by \$0.03, \$0.01 and \$0.02, respectively.

**(b) QQQQ Fee Reduction Program**—In connection with QQQQ option transactions only, \$0.09 in options transaction fees, \$0.01 in options comparison fees and \$0.02 in options floor brokerage fees will not be imposed on the accounts of non-member market makers and non-member broker-dealers for Cabinet Trades and/or Spread Trades.

**(c) Fee Cap Program—(i) For Cabinet Trades, Reversals and Conversions, Box Spreads, and Butterfly Spreads:** Specialists’, registered options traders’, non-member market makers’, firms’, and member and non-member broker-dealers’ option transaction, comparison and floor brokerage fees are limited to an aggregate fee amount of \$2,000 per trade. **(ii) For Dividend Spreads, Merger Spreads and Short Stock Interest Spreads**— Specialists, registered options traders, non-member market makers, firms, and member and non-member broker-dealers option transaction, comparison and floor brokerage fees are limited to an aggregate fee of \$1,000 for all dividend spreads, merger spreads and short stock interest spreads executed on the same trading day in the same option class. Such option transaction, comparison and floor brokerage fees are further limited to \$50,000 per month per initiating firm. The Fee Cap Program for dividend spreads, merger spreads and short interest spreads shall be on a pilot basis expiring February 1, 2007 **(iii) Customer Transactions in Index Option Box Spreads**—options transaction, comparison and floor brokerage fees charged for customer transactions in index option box spreads will be limited to an aggregate fee amount of \$2,000 per trade. **(iv) Options Licensing Fees**—The Fee Cap Program does not include Options Licensing fees and such fees will not be included in the calculation of the \$2,000 per trade fee caps, the daily \$1,000 per class fee cap or the monthly \$50,000 per initiating firm fee cap.

**(d) Fee Reimbursement Form** - To qualify for the Fee Reduction and Cap Programs, a Fee Reimbursement Form must be submitted to the Exchange within three business days of the transactions.

(2) Firm charges in any one month will be limited to an aggregate fee of \$75,000 for all equity, exchange-traded fund share, trust issued receipt and index option transactions exclusive of any options licensing fee. This fee cap will limit charges for firms based on the options transaction fee, the option comparison fee and the option floor brokerage fee.

(3) The marketing fee will only be collected on those specialist, registered option trader and supplemental registered options trader transactions involving electronically executed customer orders from firms accepting payment for directing their orders to the Exchange. If a specialist or supplemental registered options trader has negotiated a payment to a firm of less than the marketing fee, the difference between the marketing fee and the actual payment will be refunded to the specialist, registered options traders and supplemental registered options traders. Also excludes options transactions between and among Registered Options Traders and Specialists.

(4) The executing clearing member is charged \$1.00 for every order that it cancels through the Amex Order File in a given month when the total number of orders the executing clearing member canceled through AOF in that month exceeds the total number of orders that same Clearing Member executed through AOF in that same month. This fee will not apply to executing Clearing Members that cancel fewer than 500 orders through AOF in a given month.

(5) Pursuant to a pilot program that will expire on July 31, 2007, the fees applicable to specialists, market maker (ROT)s include members of other options exchanges executing Linkage transactions except for Satisfaction Orders.

(6) Specialists allocated certain ETF options or index options may be required to make an additional payment(s) to the Exchange for the purpose of recouping the Exchange's non-reimbursed costs under certain index license agreements. Annual license fees paid by the Exchange in order to list and trade certain ETF and index options that are guaranteed regardless of the trading volume may subject the specialist allocated to such options to this additional payment.

(7) Options allocated to specialists, registered options traders, remote registered options traders and supplemental registered options traders in connection with the Exchange's Broker-Dealer Auto-Ex Program are not subject to the options transactions fee, the options comparison fee, the options floor brokerage fee, the options marketing fee and the options licensing fee.

(8) The term "**non-member market maker**" means a market maker as defined in Section 3 (a)(38) of the Securities Exchange Act of 1934 registered in the same options class on such other options exchange.

(9) **Customer Volume Trade Discount:** For a customer transaction of greater than 2,000 contracts in index, ETF and TIR options the transaction, comparison and floor brokerage fees will be imposed only on the first 2,000 contracts.

(10) The fees applicable to specialist, market maker (ROTs) also include remote registered options traders except for those charged in connection with the Exchange's Broker-Dealer Auto-Ex Fee and cancellation fees.

**\*\*\* END OF OPTIONS FEE SCHEDULE \*\*\***