

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 (the “Amex” or “Exchange”) proposes to limit the expirations that are included in a Registered Options Trader’s (“ROT”), Supplemental Registered Options Trader’s (“SROT”), and Remote Registered Options Trader’s (“RROT”) minimum quoting requirements. The text of the proposed rule changes 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 March 22, 2007. No further action 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*

Rule 958-ANTE sets forth a ROT’s list of obligations, including the maintenance of minimum quoting requirements. As part of its quote mitigation procedures, the Exchange is proposing to exclude options with a series of more than nine months until expiration from a ROT’s, SROT’s, and RROT’s minimum quoting requirements. The Exchange believes that this amendment will reduce market data traffic because ROTs, SROT’s and RROT’s will no longer be required to comply with the minimum quoting requirements in the less actively traded series (far out months, etc.).

958-ANTE (h)(iii) provides that any registered options trader who transacts more than 20% of their contract volume in an assigned option class electronically and not through open outcry, measured over a calendar quarter, shall,

commencing the next calendar quarter, be obligated to maintain continuous two-sided quotations for at least ten contracts in a certain percentage of series in that option class. The percentage of series a registered options trader is obligated to quote varies depending on the amount of contract volume executed electronically on the Exchange in that option class. The Exchange has establish for each option class the percentage of series, which must be continuously quoted by those registered options traders based upon the Exchange's percentage of electronic contract volume.¹

Rules 993-ANTE and 994-ANTE provide that SROTs and RROTs must provide continuous electronic two-sided quotations in accordance with the parameters set forth in Rule 958 - ANTE (c) in at least 60% of the series of their assigned classes.

To reduce the number of quotations submitted by ROTs, SROTs and RROTs, the Exchange is proposing to exclude options with a series of more than nine months until expiration, which are known as LEAPS (Long-term Equity Anticipation Securities), from a ROT's, SROT's and RROT's minimum quoting requirements.² The effect of this is to relax their continuous quoting obligations, and ultimately the number of quotes they are required to submit, because the continuous quoting obligations in 958-ANTE, 993-ANTE, and 994-ANTE will not apply to those series of options classes that have a time to expiration of more than nine months.

(b) *Statutory Basis*

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act³ in general and furthers the objectives of Section 6(b)(5)⁴ in

¹ See 958-ANTE (h)(iii).

² Specialists are required to quote in LEAPS as they are required to disseminate quotations in all series of the option classes they trade. See 950-ANTE(l).

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

The proposed rule change will impose no burden on competition.

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 Act.

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) and Rule 19b-4(f)(6) thereunder.

(b) The Exchange believes that the proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the Exchange has given the Commission notice of its intent to file the proposed rule

change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange requests that the Commission waive the 30-day delayed operative date of Rule 19b-4(f)(6) such that the proposed rule change is operative upon filing. The PHLX and the CBOE recently received Commission approval of a substantially similar rule change.⁵ The proposal to relax the quoting requirements should reduce the number of options quotations required to be submitted on the Exchange and therefore should help to mitigate the Exchange's quote message traffic and capacity. Accordingly, the Exchange believes that this rule change qualifies for expedited approval as a "non-controversial" rule change pursuant to Rule 19b-4(f)(6) because the proposal raises no new regulatory issues, and is concerned solely with a matter that is not likely to engender adverse comments or require the degree of review attendant with more controversial filings. Waiver of this period will allow the Exchange to immediately implement this proposal.

(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 substantially based on the rules of the PHLX and the CBOE.

9. Exhibits

List of Exhibits Filed:

⁵ See Securities Exchange Act Release No. 54648 (October 24, 2006), 71 FR 63375 (October 30, 2006)(SR-PHLX 2006-52); 55154 (January 23, 2007), 72 FR 4743 (February 1, 2007)(SR-CBOE-2006-92).

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

**SR Amex 2007-103
EXHIBIT 5****AMERICAN STOCK EXCHANGE LLC****Proposed Rule Change**

It is proposed that the following provisions of the Rules of the American Stock Exchange Rules be amended as set forth below. Underlined text indicates material to be added. [Bracketed] text indicates material to be deleted.

Rule 958—ANTE Options Transactions of Registered Options Traders and Supplemental Registered Options Traders and Remote Registered Options Traders

No registered options trader, Supplemental Registered Options Trader (SROT) or Remote Registered Options Trader (RROT) shall initiate an Exchange option transaction on the Floor and through the facilities of the Exchange for any account in which he has an interest except in accordance with following provisions:

(a) – (g) No Change.

(h)(i) Registered options traders, other than RROT's, may choose to either use an Exchange provided or proprietary automated quote calculation system to calculate and submit quotes in all or some of their assigned classes. RROT's must use an authorized or proprietary automated quote calculation system; (ii) join the specialist's disseminated quotation with the ability to manually change that quotation on a series-by-series basis in those classes the registered options trader has chosen not to use an automated quote calculation system; or enter orders into the ANTE System from their hand-held device. SROT's and RROT's may not participate in the "join quote" feature in the ANTE system.

Whenever a registered options trader is either using an automated quote calculation system (pursuant to (i) above); joining the specialist's quote in a given option class (pursuant to (ii) above); or sending an order into the ANTE System, the registered options trader, that is not an SROT or RROT, must be physically present at the specialist's post on the floor of the Exchange where that option class is traded.

(iii) (A) Registered options traders who transact[s] more than 20% of their contract volume in an assigned option class electronically and not through open outcry, measured over a calendar quarter, shall, commencing the next calendar quarter, be obligated to maintain continuous two-sided electronic quotations for at least ten contracts in a certain percentage of series in that option class. The quotes must comply with the maximum bid/ask differentials set forth in paragraph (c) above. The percentage of series a registered options trader is obligated to electronically quote will vary depending on the amount of contract volume executed electronically on the Exchange in that option class. The

Exchange will establish for each option class the percentage of series, which must be continuously quoted by those registered options traders based upon the Exchange's percentage of electronic contract volume as set forth below:

| Percentage of Overall Contract Volume Executed Electronically on the Exchange During the Previous Calendar Quarter | Registered Options Traders Electronic Quoting Requirement Percentage of Series |
|---|---|
| 50% or Below | 20% |
| 51% - 75% | 40% |
| Above 75% | 60% |

The continuous two-sided electronic quoting obligations in subparagraph (h)(iii) of this rule shall not apply to the series of that class that have a time to expiration of more than nine months.

* * * * *

••• *Commentary* -----

.01 to .11 No Change.

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Rule 993—ANTE Supplemental Registered Options Traders

(a) – (b) No Change.

(c) Obligations of SROTs

In addition to obligations set forth in other Exchange Rules:

(i) SROTs shall be required to purchase or lease one seat for every thirty (30) options classes quoted.

(ii) SROTs must provide continuous two-sided quotations in accordance with Rule 958 - ANTE (c) in at least 60% of the series of their assigned classes. This obligation shall not apply to the series of that class that have a time to expiration of more than nine months.

(d) Affiliation Limitations

(i) No SROT shall be assigned to an options class where the SROT has a direct or indirect affiliate who is a specialist, ROT, SROT or RROT in such option class.

(ii) No person who is either directly or indirectly affiliated with an SROT shall submit quotations as an SROT, RROT, ROT, or specialist in options in which the affiliate SROT is assigned.

(iii) SROTs shall maintain information barriers that are reasonably designed to prevent the misuse of material, non-public information with any affiliates that may conduct a brokerage business in option classes assigned to an SROT or that may act as a specialist or market maker in any security underlying options assigned to an SROT, and otherwise comply with Rule 193 regarding the misuse of material non-public information.

••• *Commentary* -----

.01 Quoting rights and designation of an SROT are non-transferable.

.02 An SROT would only be permitted to submit electronic quotations from off the Floor of the Exchange.

.03 An SROT may only trade in a market making capacity in the classes of options in which he/she is assigned.

* * * * *

Rule 994—ANTE Remote Registered Options Traders

(a) – (b) No Change

(c) Obligations of RROT's

In addition to obligations set forth in other Exchange Rules:

(i) RROT's must have at least one active floor member acting as a ROT subject to the limitations set forth in (d)(i) of this rule.

a. RROT's may remotely quote in up to five (5) option classes per seat owned or leased without any additional seat requirement.

b. RROT's will be required to purchase or lease one additional seat for every forty (40) option classes remotely quoted in, in excess of the five option classes permitted pursuant to 994 - ANTE (c)(i)(a).

(ii) Exchange memberships used to satisfy membership requirements to remotely quote as an RROT pursuant to 994—ANTE (c)(i)(b) may not be used for any other purpose while being used in an RROT capacity, including being leased to another member or for trading on the trading floor. For purposes of this rule, an Exchange membership shall include a regular membership and an options principal membership pursuant to Article I Section 3 of the Constitution.

(iii) RROT's may not enter quotations electronically from outside the trading crowd in options classes in which they are not assigned as an RROT.

(iv) RROT's must provide continuous two-sided quotations in accordance with Rule 958—ANTE (c) in at least 60% of the series of their assigned classes. This obligation shall not apply to the series of that class that have a time to expiration of more than nine months.

(v) The initial size of an RROT's remote quote must be for at least ten (10) contracts (undecrement size).

(vi) A RROT may be called upon by a Floor Official to submit a single quote or maintain continuous quotes in one or more series of an option class to which the RROT is assigned whenever, in the judgment of such official, it is necessary to do so in the interest of maintaining a fair and orderly market.

(vii) RROT's shall be subject to the current designation of options areas that exist for ROT's pursuant to 900—ANTE. No RROT may disseminate quotations and/or execute an option transaction on a Paired Security if he is located in the Designated Stock Area where the related security is traded unless given an exemption pursuant to Rule 175(c).

(d) Affiliation Limitations

(i) No RROT shall be assigned to an option class where the RROT has a direct or indirect affiliate who is a specialist, ROT, SROT or RROT in such option class.

(ii) No person who is either directly or indirectly affiliated with an RROT shall submit quotations as an RROT, SROT, ROT, or specialist in any option class in which the affiliate RROT is assigned.

(iii) RROTs shall maintain information barriers that are reasonably designed to prevent the misuse of material, non-public information with any affiliates that may conduct a brokerage business in option classes assigned to an RROT or that may act as a specialist or market maker in any security underlying options assigned to an RROT, and otherwise comply with Rule 193 regarding the misuse of material non-public information.