

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

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

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the proposed rule change (limit 250 characters).

Delete the recently approved changes to its rules establishing a new class of off-floor market makers known as Designated Amex Remote Traders

**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  Last Name   
 Title   
 E-mail   
 Telephone  Fax

**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 officer.

Date   
 By  Vice President and Associate General Counsel  
 (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 delete the recently approved changes to its rules establishing a new class of off-floor market makers known as Designated Amex Remote Traders, or “DARTs.”<sup>1</sup> The text of the proposed rule change is attached hereto as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

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

(a) The proposed rule change was approved by the Executive Committee of the Exchange’s Board of Governors on June 27, 2007. No other action by the Exchange is required for the filing of the proposed rule change.

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

(a) *Purpose*

The Exchange proposes to delete the recently approved changes to its rules establishing a new class of off-floor market makers known as Designated Amex Remote Traders, or “DARTs.” The Exchange is taking this action so that it can refile the rule changes and thereby allow consideration of a comment letter on the DARTs program that was received but inadvertently overlooked by the Commission.

(b) *Statutory Basis*

The proposed rule change is consistent with Regulation NMS and with

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<sup>1</sup> See Securities Exchange Act Release No. 34-56446 (Sept. 17, 2007), 72 FR 54303 (Sept. 24, 2007), File No. SR-Amex-2007-85.

Section 6(b) of the Securities Exchange Act of 1934 (the “1934 Act”)<sup>2</sup> in general, and furthers the objectives of Section 6(b)(5)<sup>3</sup> in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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

The proposed rule change will impose no 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.

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

(a) The Exchange believes that the deletion from its rules of the previously approved rule changes so that they can be refiled is non-controversial pursuant to Paragraph A of Section 19(b)(3)<sup>4</sup> of the 1934 Act and Rule 19b-4(f)(6) thereunder.<sup>5</sup>

(b) This proposed rule change does not significantly affect the protection of

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

<sup>3</sup> 15 U.S.C. 78f(b)(5).

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

<sup>5</sup> 17 CFR 240.19b-4(f)(6).

investors or the public interest, does not impose any significant burden on competition, and, 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.

In order to enable the Exchange to implement this rule change on an expeditious basis so that the rule changes relating to DARTs can be refiled for the consideration of additional comments, the Exchange requests that the Commission waive the five-day-pre-filing-notice requirement and the 30-day operative delay period for “non-controversial” proposals so that this rule change may be immediately effective and operative.

(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 self-regulatory organization or of the Commission.

**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. Text of Proposed Rule Change.

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-Amex-2007-113)**

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC to Delete Previously Approved Rules Relating to a New Class of Off Floor Market Makers Called Designated Amex Remote Traders**

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 delete the recently approved changes to its rules establishing a new class of off-floor market makers known as Designated Amex Remote Traders, or “DARTs.”<sup>1</sup>

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

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<sup>1</sup> See Securities Exchange Act Release No. 34-56446 (Sept. 17, 2007), 72 FR 54303 (Sept. 24, 2007), File No. SR-Amex-2007-85.

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 proposes to delete the recently approved changes to its rules establishing a new class of off-floor market makers known as Designated Amex Remote Traders, or “DARTs.” The Exchange is taking this action so that it can refile the rule changes and thereby allow consideration of a comment letter on the DARTs program that was received but inadvertently overlooked by the Commission.

(2) Statutory Basis

The proposed rule change is consistent with Regulation NMS, as well as consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “1934 Act”),<sup>2</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>3</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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

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

<sup>3</sup> 15 U.S.C. 78f(b)(5).

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) of the Act<sup>4</sup> and Rule 19b-4(f)(6)<sup>5</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 1934 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-2007-113 on the subject line.

Paper Comments:

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

<sup>5</sup> 17 CFR 240.19b-4(f)(6).

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-2007-113. 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-2007-113 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>6</sup>

Dated:

Nancy M. Morris  
Secretary

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<sup>6</sup> 17 CFR 200.30-3(a)(12).

**SR Amex 2007-113**  
**EXHIBIT 5**

**AMERICAN STOCK EXCHANGE LLC**

**Proposed Rule Change**

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

\* \* \* \* \*

**Rule 1A—AEMI Applicability, Definitions, References and Phase-In**

(a) – (f) No change.

(g) The following terms as used in the rules of this Chapter shall have the meanings specified herein unless the context otherwise indicates:

**Amex Published Quote ("APQ").** The "Amex Published Quote" is the highest bid and lowest offer disseminated by the American Stock Exchange.

**AEMI Book.** The "AEMI Book" is the part of the AEMI platform that holds and automatically matches orders, bids and offers submitted to it electronically by specialists, Registered Traders, [Designated Amex Remote Traders, ]Floor Brokers and off-Floor members in accordance with these rules.

**Automated Quotation, Automated Bid, Automated Offer.** An "automated quotation", "automated bid", or "automated offer" is a bid and/or offer disseminated by a trading center (as defined in Regulation NMS) that: (1) permits an incoming order to be marked as immediate or cancel ("IOC"), (2) immediately and automatically executes an order marked as IOC against the displayed quotation up to the displayed size, (3) immediately and automatically cancels any unexecuted portion of an order marked as IOC without routing the order elsewhere, (4) immediately and automatically transmits a response to the sender of an order marked as immediate-or-cancel indicating the action taken with respect to such order, and (5) immediately and automatically displays information that updates the displayed quotation to reflect any change to its material terms.

**Automated National Best Bid and Offer ("automated NBBO").** The "automated national best bid and offer" is the highest automated bid and lowest automated offer calculated and disseminated on a current and continuing basis by a plan processor pursuant to an effective national market system plan.

**Broker/Dealer.** The term "broker/dealer" means a registered broker or dealer and any foreign person that either is registered as a broker or dealer where it operates or would be required to register with the Commission as a broker or dealer if it were operating in the United States.

**Crowd Order.** A "Crowd Order" is (1) an order in the AEMI Book that is represented by a broker standing in the Zone where the order is represented or (2) a bid or offer in the AEMI Book entered by a Registered Trader standing in the crowd[ or by a Designated Amex Remote Trader operating from an off-floor location].

**Customer.** The term "customer" means any person who is not a broker/dealer.

**[Designated Amex Remote Trader.** A "Designated Amex Remote Trader" or "DART" is a member or member organization authorized by the Rules of the Exchange to operate as a market maker in assigned ETF and equity-traded securities that trade on the Exchange. A DART shall electronically enter competitive quotations into AEMI from an off-floor location. DART transactions in securities traded in AEMI may only be effected in accordance with the provisions of Rule 110A–AEMI.]

**Exchange Traded Funds ("ETFs").** The terms Exchange Traded Funds or ETFs include any Portfolio Depositary Receipt, Index Fund Share, Trust Issued Receipt[, Paired Trust Share] or Partnership Unit.

**May Trade Order.** A "may trade order" is an order limited to the price of an opening, reopening or closing that is eligible to be executed on an opening, reopening or closing but is not required to be executed.

**Must Trade Order.** A "must trade order" is a market or marketable limit order that is eligible to be executed on an opening, reopening or closing and is required to be executed on the opening, reopening, or closing.

**Message Queue.** A "Message Queue" refers to an accumulation of messages (e.g., orders, status requests, cancels, cancel/replaces) that have entered AEMI but are not permitted by the system to enter the AEMI Book. AEMI shall initiate a Message Queue only during an Opening or Reopening Pair-off Session, a Cash Closing Pair-off Session (in ETFs), a pair-off to execute an order imbalance following a breach of a Spread or Momentum Tolerance or a "gap trade", or a pair-off to execute an order imbalance that caused the dissemination of a gap quote. During a Message Queue, messages come into the AEMI queue and do not enter the AEMI Book. A Message Queue shall last no longer than three seconds at which point it will automatically terminate and all queued messages will enter the AEMI Book. No member or person associated with a member shall see messages in a Message Queue.

**NMS Security.** An "NMS security" is any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective

transaction reporting plan, or an effective national market system plan for reporting transactions in listed options.

**NMS Stock.** An "NMS stock" is any NMS security other than an option.

**Protected Bid or Protected Offer.** A "protected bid" or "protected offer" means a quotation in an NMS stock that (i) is displayed by an automated trading center (as defined in Regulation NMS), (ii) is disseminated pursuant to an effective national market system plan, and (iii) is an automated quotation that is the best bid or best offer of a national securities exchange or a national securities association.

**Protected Quotation.** A "protected quotation" is a protected bid or a protected offer.

**Public Order.** A "public order" is an order, initiated either on the Floor by a Floor Broker (e.g., a percentage order or a limit order) or off the Floor by a member, that is entered directly into the Specialist Order Book. A Crowd Order can never be a public order.

**Registered Trader.** A "Registered Trader" is a member who is authorized by the Rules of the Exchange to initiate trades while on the Floor for his or her account. Transactions by Registered Traders on the Floor in index warrants, currency warrants, securities listed pursuant to Section 107 of the Company Guide ("Other Securities"), Trust Issued Receipts listed pursuant to Rules 1200 et seq., and Partnership Units listed pursuant to Rules 1500 et seq. shall be effected in accordance with the provisions of Rule 110-AEMI, and shall only be effected by Registered Traders who are regular members. Transactions by Registered Traders on the Floor in derivative products (as defined in Article I, Section 3(d) of the Exchange Constitution) shall be effected in accordance with the provisions of Rule 110-AEMI. Registered Trader transactions in securities traded in AEMI may only be effected in accordance with the provisions of Rule 110-AEMI.

**Specialist Order Book.** The "Specialist Order Book" is the accumulation of orders on the AEMI Book that is not represented by a broker standing in the crowd or other party. It is a subset of the AEMI Book. The Specialist Order Book does not include the bids and offers of Registered Traders in the crowd[ or Designated Amex Remote Traders operating from off-floor locations].

**Automatic Conversion.** This term refers to "automatic conversion" (or "auto conversion") of percentage orders by AEMI. Auto conversions will be governed by certain conditions in the AEMI Book which would qualify a percentage order to be converted. The parameters that trigger auto conversions will be configurable. Auto conversions will also take place during an opening, a re-opening and the closing pair-off.

**Manual Conversion.** The term "manual conversion" references the fact that specialist may manually convert percentage orders depending on the instruction on the percentage order. The AEMI platform will permit both active and passive manual conversions.

**Active Manual Conversion.** An "active manual conversion" is a manually converted percentage order that becomes an IOC order and immediately aggresses the AEMI Book.

**Passive Manual Conversion.** A "passive manual conversion" is a manually converted percentage order that becomes a limit order at the APQ. It may set a new APQ or join the existing APQ.

**Trade Event.** Every execution due to an aggressing order is considered to be a "trade event" by the AEMI platform. The election of a percentage order, stop order or stop limit order is based on a trade event.

**Specialist Emergency Quote.** A "specialist emergency quote" is a firm, automated quote automatically generated by AEMI when the Specialist's mandatory quote is reduced to or below a configured size in order to ensure continuity of price and assist the specialist in meeting his quoting obligations under Rule 170—AEMI. Such a quote is generated according to parameters set by the specialist, and is obligatory if the specialist is utilizing an AEMI "front end" device to generate quotes. This feature is disabled if quotes are streamed in from a proprietary system. The number of emergency quotes issued sequentially shall be limited to an exchange-wide numerical parameter set in the AEMI system, not to exceed ten (10).

**Stabilizing Quote.** A "stabilizing quote" is a non-firm quote that is automatically generated by AEMI when Auto-Ex is disengaged following a tolerance breach or gap trade (see Rule 128A—AEMI(g)) and no orders exist on the contra side of the AEMI Book. Under those circumstances, AEMI will automatically publish a quote for one round lot at one tick away from the price of the automated NBBO on the contra side. A stabilizing quote may also be generated when orders and quotes on the AEMI Book are exhausted, and Auto-Ex is then disabled so that the specialist may step in to re-quote the market.

**Zone.** The Floor is divided into three trading Zones as the Exchange shall from time to time determine and make known to its membership. Each trading Zone reflects the specific identifiable areas on the Floor where Floor Brokers are able to conduct business at each post/panel within the Zone. A Floor broker will be considered to be in the Zone if he or she is physically present in the area designated as part of that Zone.

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#### **Rule 109—AEMI. "Stopping" Stock**

No specialist, broker[, Designated Amex Remote Trader] or Registered Trader shall grant or accept a stop with respect to a security traded in AEMI.

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**[Rule 110A—AEMI. Designated Amex Remote Traders]**

[(a) DARTs – Approval by the Exchange

(i) A member organization requesting approval to act as a Designated Amex Remote Trader (“DART”) shall file an application with the Exchange, which shall consider the following factors:

- a. adequacy of resources including capital, technology and personnel;
- b. history of stability, superior electronic capacity, and superior operational capacity;
- c. level of market-making and/or specialist experience in a broad array of securities;
- d. ability to interact with order flow in all types of markets;
- e. existence of order flow commitments;
- f. willingness and ability to make competitive markets on the Exchange and otherwise promote the Exchange in a manner that is likely to enhance the ability of the Exchange to compete successfully for order flow in the securities it trades; and
- g. the number of member organizations requesting approval to act as a DART.

(ii) Determinations regarding granting or withdrawing approval to act as a DART shall be made by the Exchange. In the event that an application is disapproved by the Exchange, the Exchange shall notify the applicant of its disapproval and that the applicant is entitled to a hearing under Article IV, Section 1(g) of the Constitution and Rule 40.

(iii) No DART application shall be approved by the Exchange without written certification signed by an officer of the Exchange's Technology department indicating that a DART applicant has sufficient technological ability to support the continuous quoting requirement set forth in Rule 110A–AEMI(b), and the DART applicant has successfully completed, or is scheduled to complete, testing the ability of its quoting system to access AEMI.

(iv) The Exchange may defer approval of an applicant that satisfies the technological readiness and testing requirements described in sub-paragraph (a)(iii) above based on system constraints, capacity restrictions, or other factors relevant to the maintenance of a fair and orderly market, for a period to be determined in the Exchange’s discretion, pending any action required to address the issue of concern to the Exchange. The Exchange may not defer a determination of the approval of the application of a DART applicant unless the basis for such deferral has been objectively determined by the

Exchange, subject to Securities and Exchange Commission approval or effectiveness pursuant to a rule change filing under Section 19(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Exchange shall provide written notification to any DART applicant whose application is the subject of such deferral, describing the objective basis for such deferral.

(v) If a DART seeks to withdraw from acting as such, it must notify the Exchange at least ten business days prior to the desired effective date of such withdrawal.

(vi) The Exchange may suspend or terminate any appointment of a DART in one or more securities or subject such DART to disciplinary action under this Rule whenever, in the Exchange's judgment, the interests of a fair and orderly market are best served by such action or upon a determination of any substantial or continued failure by such DART to engage in a course of dealings in accordance with subparagraphs (b)(i) and (b)(ii) of this Rule. A DART may seek review of any action taken by the Exchange pursuant to this subparagraph in accordance with Article IV, Section 1(g) of the Constitution and Rule 40.

(vii) Transactions by DARTs shall be limited to ETFs and all equity-traded products that trade on AEMI. The Exchange shall determine the particular securities assigned to a DART in accordance with Commentary .05 of this Rule. There is no limitation on the number of such securities in which a DART may make markets. A single member firm may have more than one DART, subject to the limitations set forth in paragraph (c) of this Rule.

(viii) In addition to such capital as Exchange requirements may otherwise prescribe, a DART who is not subject to Rule 15c3-1 of the Exchange Act shall meet an initial minimum capital requirement of \$25,000 and at all times thereafter shall meet a minimum capital maintenance requirement of \$15,000. No capital shall be withdrawn by a DART if such withdrawal would reduce the value of his/her capital account below the applicable initial minimum requirement.

(ix) DARTS must inform the Exchange of any material change in financial or operating condition or in personnel. DARTs must clear and settle transactions through the facility of a registered clearing agency.

#### (b) Obligations of DARTs

In addition to obligations set forth in other Exchange Rules:

- (i) DARTs must provide continuous two-sided quotations in all assigned securities and may stream in single multi-layered quotations with up to five (5) levels of quotations on both sides (bid/offer). However, in the event that two or more DARTs are under the control of a single member firm, only a single multi-layered quotation may be entered by those DARTs collectively

for each security in which any of them make a market. DART quotations will be displayed on the AEMI Book.

- (ii) With respect to each security to which he/she is assigned by the Exchange, a DART's transactions must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market. In connection with this function, a DART is required to make competitive bids and offers as reasonably necessary to contribute to the maintenance of a fair and orderly market and shall engage, to a reasonable degree under the existing circumstances, in dealings for his/her own account when there exists a lack of price continuity, a temporary disparity between the supply of and demand for the security(ies) in which he/she is trading, or a temporary distortion of the price relationships between the security(ies) in which he/she is trading and the security(ies) underlying or otherwise related to such security(ies).
- (iii) Nothing in this Rule will limit any other power of the Board of Governors under the Rules or procedures of the Exchange with respect to the registration of a DART or in respect of any violation by a DART of the provisions of this Rule.
- (iv) Without limiting the foregoing, a DART will be required to maintain minimum performance standards with respect to each security it trades, the levels of which may be determined from time-to-time by the Exchange and communicated to DARTs and other members by an Amex notice to members. DARTS that fail to comply with one or more of the performance standards, as determined by the Chief Executive Officer of the Exchange or his/her designee, may be subject to loss of the benefits to which they are otherwise entitled under Amex rules by virtue of their status as DARTs (e.g., rebates for providing liquidity), including suspension or termination of DART status. The performance measures will include:
  - a. percent of time at the NBBO;
  - b. average displayed size;
  - c. average quoted spread; and
  - d. in the event the security is a derivative security, the ability of the DART to transact in underlying markets.

(c) Affiliation Limitations

- (i) An Amex specialist firm may also be a DART, but it may not be registered as such in securities in which it is also the specialist.

(ii) DARTs 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 the securities assigned to a DART or that may act as a specialist or market maker in any security underlying a derivative security assigned to a DART, and otherwise comply with Rule 193 regarding the misuse of material non-public information.

(iii) A DART may be either a regular member of the Exchange or an associate member that meets the requirements for electronic access to the Exchange's automated systems.

••• *Commentary*

**.01** Quoting rights of a DART and its status as a DART are non-transferable.

**.02** A DART is only permitted to submit electronic quotations from off the Floor of the Exchange.

**.03** A DART may only trade in a market making capacity in the securities to which he/she is assigned.

**.04** Pursuant to Rule 128B–AEMI(b), DARTs will not participate in any post-trade allocation in connection with an auction trade. A DART's participation in an auction pair-off on the Exchange will be limited to the amount of its quotation on the AEMI Book at the time of the pair-off. For purposes of the priority and parity rules of Rule 126–AEMI, a DART's quotation is treated as another crowd order.

**.05** In assigning one or more securities to a DART, the Exchange shall give attention to:

- a. the preference of applicants;
- b. assuring that financial resources available to a DART enable him/her to satisfy the obligations set forth in this Rule;
- c. the applicant's expertise in trading; and
- d. the applicant's prior performance.

The Exchange may make additional assignments whenever, in the Exchange's judgment, the interests of a fair and orderly market are best served by such action.]

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**Rule 112—AEMI. Suspension of Registration of Registered Trader [or Designated Amex Remote Trader]**

The Exchange may suspend the registration of any Registered Trader who is found to have violated the provisions of Rules 108-AEMI, 109-AEMI, or 110-AEMI. [The Exchange may suspend the registration of any Designated Amex Remote Trader who is found to have violated the provisions of Rules 108-AEMI, 109-AEMI, or 110A-AEMI.] Such suspension may be imposed in addition to or in lieu of any penalty which may be imposed under Article V of the Constitution.

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**Rule 115—AEMI. Exchange Procedures for Use of Unusual Market Exception**

Pursuant to Rule 602 under Regulation NMS governing the dissemination of quotations for equity securities reported on the consolidated tape, if the Exchange determines, in accordance with the procedures set forth in the commentary to this rule, that the level of trading activity or the existence of unusual market conditions is such that the Exchange cannot collect, process and make available quotation data in a manner which accurately reflects the current state of the market on the floor of the Exchange, the Exchange shall immediately notify the persons specified in paragraph 3 of Commentary .01 and, upon such notification, the obligation imposed upon Exchange members and the Exchange by Rule 602 under Regulation NMS shall be suspended, pending a determination by the Exchange that the unusual market activity or condition has terminated and renotification of the specified persons.

**••• Commentary**

**.01 Exchange Procedures for Use of "Unusual Market Exception" Provided by Rule 602 under Regulation NMS**

1(a). If a specialist or Registered Trader is unable to update his quotations on a timely basis owing to the high level of trading activity or the existence of an unusual market condition, he shall promptly notify a Floor Official. An example of an unusual market condition affecting a specialist's ability to promptly communicate quotation data would be a situation where the high level of activity in one security affects the specialist's ability to update quotation data in any other security for which he has responsibility, or where, due to unforeseen circumstances beyond the specialist's control, he is temporarily required to assume responsibility for an unusually large number of securities assigned to his specialist unit.

1(b). Upon notification by a specialist or Registered Trader, the Floor Official, with the advice and participation of a member of the regulatory staff, shall promptly verify the existence of the unusual market activity or condition and if, in his judgment, the specialist

or Registered Trader is unable to update his quotations on a timely basis, the Floor Official shall promptly notify the Market Operations Division of the Exchange, which shall promptly disable Auto-Ex and disseminate the indicator "N" to indicate that the Amex's quotation, if a trading halt has not been declared and quotations are being published for such security or securities, is not firm. If a Floor Official, independent of notification by a specialist or Registered Trader, becomes aware of any unusual market activity or condition which adversely affects a specialist's or Registered Trader's ability to promptly communicate quotation data, he shall likewise, with the advice and participation of a member of the regulatory staff, promptly advise the Market Operations Division, which shall promptly disable Auto-Ex and disseminate the indicator "N" to indicate that the Amex's quotation, if a trading halt has not been declared and quotations are being published for such security or securities, is not firm. In both of the foregoing circumstances, the Floor Official shall consult with the Market Operations Division regarding the extent of the problem and determine whether to declare a non-regulatory halt in such security or securities. If the existence of the unusual market activity or condition should result in a specialist not publishing a quotation for one or more of its specialty securities, the Floor Official shall consult with the Market Operations Division to determine whether to declare a non-regulatory halt in such security or securities based on the absence of the specialist from that market. In the absence of such a non-regulatory halt, incoming orders would continue to execute against orders for the security or securities in the AEMI Book. If a Registered Trader[ or Designated Amex Remote Trader], on the other hand, is unable to publish a quotation in a security, he may withdraw or cancel his quotation and inform the Market Operations Division afterward, since he does not have the same quoting obligations of a specialist as specified in Rule 170—AEMI(d). In addition, the absence of a quotation from a Registered Trader[ or Designated Amex Remote Trader] would not be a basis for a non-regulatory halt in the related security.

1(c). In the event that quotes being generated for the specialist or a Registered Trader by AEMI's Auto-Quote function are determined by the Service Desk or by the specialist or Registered Trader to be incorrect, the Market Operations Division will disable the operation of Auto-Quote. If the specialist is utilizing Auto-Quote at the time it is disabled, AEMI shall automatically input the then current automated NBBO as the specialist's bid and offer to facilitate the specialist's continuity responsibility under Rule 170—AEMI(d) (an obligation a Registered Trader does not have). Further updates to the specialist's quotation shall be entered by the specialist without utilizing Auto-Quote until the problem causing the unusual market condition is resolved. Similarly, in the event that streaming quotes being generated by a proprietary system and submitted to AEMI on behalf of the specialist or a Registered Trader[ or Designated Amex Remote Trader] are determined by the Service Desk or by the specialist or Registered Trader[ or Designated Amex Remote Trader] to be incorrect, the Market Operations Division will instruct AEMI to reject new streamed-in quotations. If the specialist is utilizing streaming quotations at the time that rejection of such quotations is implemented, AEMI shall automatically input the then current automated NBBO as the specialist's bid and offer to facilitate the specialist's continuity responsibility under Rule 170—AEMI(d) (an obligation a Registered Trader[ or Designated Amex Remote Trader] does not have).

Further updates to the specialist's quotation shall be entered by the specialist without utilizing streaming quotations until the problem causing the unusual market condition is resolved. In each of the foregoing instances, the action taken by the Market Operations Division with respect to the unusual market condition may be implemented on any of the following bases: (i) by individual specialist or Registered Trader[ or Designated Amex Remote Trader], (ii) by firm, (iii) for all AEMI users, or (iv) by symbol or symbol category.

2. If the Exchange (as opposed to the specialist or a Registered Trader[ or Designated Amex Remote Trader]) is unable to accurately collect, process, and/or disseminate quotation data in one or more securities owing to the high level of trading activity or the existence of unusual market conditions, AEMI shall immediately disable Auto-Ex and disseminate the indicator "N" to indicate that the Amex's quotation, if a trading halt has not been declared and quotations are being published for such security or securities, is not firm. (See Rule 123—AEMI(h) regarding the circumstances under which bids and offers in AEMI are firm and when a non-firm indicator would be disseminated.) An unusual market condition affecting the Exchange's ability to disseminate quotation data would include, but not be limited to, situations where the equipment used to collect, process, and disseminate quotations data becomes inoperable.

3. The Market Operations Division, either upon receiving notification from a Floor Official with respect to a specialist or Registered Trader as provided in paragraph 1(b) or when AEMI disseminates the indicator "N" to indicate that the Amex's quotation is not firm because the Exchange is unable to accurately collect, process and/or disseminate quotations data, shall notify the Securities Industry Automation Corporation ("SIAC") (and request that it notify quotation vendors) or, with respect to Nasdaq securities, the Processor for Nasdaq securities, regarding the Exchange's inability to accurately collect, process, and make available the quotation data for the particular security or securities required by Rule 602 under Regulation NMS.

4. After a Floor Official has given notification with respect to a specialist or Registered Trader as provided in paragraph 1(b) or AEMI disseminates the indicator "N" to indicate that the Amex's quotation is not firm because the Exchange is unable to accurately collect, process and/or disseminate quotations data, the Floor Official, with the advice and participation of a member of the regulatory staff, or the Market Operations Division (as the case may be) shall monitor the unusual market activity or condition until it has terminated. Thereupon, the Market Operations Division shall immediately renotify SIAC (and request that it renotify quotations vendors) or, with respect to Nasdaq securities, the Processor for Nasdaq securities, that the Exchange is once again capable of disseminating the quotation data for the particular security or securities required by Rule 602 under Regulation NMS.

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**Rule 123—AEMI. Manner of Bidding and Offering**

(a) AEMI shall accept electronic bids and offers from the specialist[, Designated Amex Remote Traders] and Registered Traders and include them in the AEMI Book. All bids and offers must state the number of shares bid for or offered. AEMI shall also accept orders from Floor Brokers standing in the Zone (Crowd Orders) and other orders transmitted to AEMI electronically and file all such orders in the AEMI Book. On the basis of this input of bids, offers and orders, AEMI shall disseminate the best quote on the Amex together with associated visible size to the tape. AEMI also shall disseminate an indicator to the tape whenever the Amex quote is not firm.

A Registered Trader who is not in the crowd for a security shall not submit a bid or offer to AEMI for that security but may give an order to a Floor Broker (a Crowd Order) or place an order on the Specialist Order Book for his account.

A Floor Broker who is not in the Zone where a particular security is traded shall not submit a Crowd Order to AEMI for that security.

Members may make verbal bids and offers in the trading crowd provided that these bids/offers are deemed withdrawn if not immediately executed. Accordingly, verbal bids and offers will not be reflected in the APQ. All verbal bids and offers shall be deemed for a unit of trading unless the number of shares is expressed in the bid or offer. Since AEMI shall not recognize a verbal bid or offer in the crowd, trades executed in AEMI may trade through a verbal bid/offer without satisfying it.

(b) Specialists[, Designated Amex Remote Traders] and Registered Traders may stream bids and offers into AEMI at one or multiple price points. Specialists may add resident liquidity to the AEMI Book at up to five price levels including the quote that each specialist provides to comply with the provisions of Rule 170—AEMI(d), and [Designated Amex Remote Traders and] Registered Traders will also be permitted to add liquidity at five price levels on both sides of the market. All quotes provided by specialists[, Designated Amex Remote Traders] and Registered Traders shall be two-sided quotes. Specialists and Registered Traders may also manually update their bids and offers in AEMI. No specialist[, Designated Amex Remote Trader] or Registered Trader shall stream in a quote that locks or crosses an existing quote that the same specialist[, Designated Amex Remote Trader] or Registered Trader has previously streamed in for the same security.

(c) – (h) No change.

••• *Commentary*

.01 - .02 No change.

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**Rule 128A—AEMI. Automatic Execution**

(a) – (c) No change.

(d) Trade Execution. (i) AEMI shall automatically execute a new Auto-Ex Eligible Order, Bid or Offer against contra side orders, bids or offers residing in the AEMI Book at the price of such resident orders, bids or offers in accordance with the rules of precedence of bids and offers until the new order, bid or offer is filled in full, the size of the orders, bids or offers residing in the AEMI Book is exhausted, or the execution of the order breaches a Spread or Momentum Tolerance in the security or a gap trade occurs. Automated execution will not occur without protected quotations at away markets being satisfied through the issuance of one or more intermarket sweep orders. AEMI will not publish a bid (offer) equal to or higher (lower) than the National Best Offer (Bid) without sending intermarket sweep orders to execute against the full displayed size of the protected quotations in the away markets.

(ii) When a Registered Trader[, Designated Amex Remote Trader] or specialist moves his quote to match the APQ on the other side of the market (e.g., a Registered Trader raises his bid to match the offer side of the APQ), AEMI shall automatically execute the trade at the price of the APQ for the lesser of the size of the APQ or the size of the bid/offer that hit the APQ; provided, however, that any trade execution resulting from the specialist moving his quote must be consistent with the requirements of Rule 170-AEMI.

(iii) AEMI shall automatically execute a trade when a member uses the hit or take functionality of AEMI to initiate an order against the APQ or otherwise initiates an order to trade with the bid/offer displayed in the APQ. Such an order may be entered by the member from on or off the Floor of the Exchange. Members who wish to use the hit or take functionality must specify the price and quantity of the hit or take order. When a member uses the hit or take functionality, AEMI shall validate that the specified price is equal to or better than the contra Amex quote and automatically generate a limit order at that price. Equity specialists who use the hit or take functionality must do so in a manner consistent with the requirements of Rule 170-AEMI. An order initiated by a member using the hit or take functionality is an order that expires if not immediately executed but that is capable of generating intermarket sweep orders to clear better away markets before executing on the Amex.

(iv) Any quotation in a non-ETF Amex-listed security or a non-Nasdaq UTP equity security entered into the AEMI platform by the specialist while Auto-Ex is enabled that would cause the APQ to be crossed will automatically be rejected.<sup>1</sup> Any quotation in an ETF or a Nasdaq UTP equity security entered into the AEMI platform by the specialist[, ] or a Registered Trader [or a Designated Amex Remote Trader ]while Auto-Ex is enabled that would cause the APQ to be locked or crossed will be automatically executed. For all securities, when Auto-Ex is disabled due to the breach of a Spread or Momentum

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<sup>1</sup> See Rule 170—AEMI, Commentaries .01 and .02, regarding the requirements with respect to such quotations entered into the AEMI platform by the specialist that would cause the APQ to be locked but not crossed.

Tolerance or a gap trade (see section (f) below), orders and quotations (with the exception of the specialist's quotation) that enter the AEMI Book and are priced better than the contra side of the APQ will participate in the auction trade to eliminate the locked or crossed market and will result in the dissemination of an automated APQ.

(e) – (g) No change.

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### **Rule 128B—AEMI. Auction Trades**

(a) No change.

(b) A specialist shall immediately enter an auction trade into AEMI if he participates in the trade. If the specialist is not part of an auction trade, the member who initiates the trade shall immediately report the trade to the specialist for input into AEMI.<sup>2</sup> Upon input, AEMI shall immediately send a report of the trade to the tape (less the size of any intermarket sweep order(s) to be immediately sent to away markets), execute any bids, offers or orders on the AEMI Book that were able to be executed at the price of the auction trade, generate intermarket sweep order(s) to away markets, and disseminate a new automated APQ if Auto-Ex is not then enabled.<sup>3</sup> For trades with more than one contra-side member, the specialist shall conduct a post trade allocation, and AEMI will then send notification of individual trades to active crowd participants upon the specialist's confirmation of the post trade allocation. This requirement that the specialist confirm the initial post trade allocation (which is an estimate computed by AEMI based on assumed participation by all of the active crowd participants and the Exchange's priority and parity rules) is to allow the active crowd participants to verbally confirm their participation or non-participation. Any necessary adjustments by the specialist would result in a reallocation, also computed by AEMI. If the specialist has not confirmed the allocation within a three-minute period following the trade, the default allocation will be AEMI's estimated allocation to the specialist and the active crowd participants. ["Active crowd participants"] consist of Registered Traders in the crowd with a bid or offer on the AEMI Book on the contra side of the aggressing order and Floor Brokers with a Crowd Order on the contra side of the aggressing order, in each case at the time of the trade[, but do not include Designated Amex Remote Traders]. The Floor Brokers that are a party to the auction trade, both on the side of the aggressing order and the contra side, shall each have 20 seconds following notification by AEMI of their respective individual trades to complete an additional allocation to the existing orders in their hand held terminals. If such a trade allocation is reported to AEMI more than 20 seconds later, it will be deemed "late" but will still be permitted.

<sup>2</sup> See Rule 128A—AEMI(c) regarding the requirement that the specialist must enter a verbal trade into AEMI in order for the trade to be consummated and have standing.

<sup>3</sup> See paragraph (e) below regarding the circumstances under which a new APQ will be disseminated if Auto-Ex is already enabled.

(c) – (e) No change.

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**Rule 157—AEMI. Orders with More than One Broker**

(a) – (b) No change.

[(c) A Designated Amex Remote Trader shall neither maintain a Crowd Order with a broker nor maintain an order on the Specialist Order Book while the Designated Amex Remote Trader is maintaining a bid or offer for the security in AEMI.]

**••• Commentary**

**.01** No change.

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**Rule 719—AEMI. Comparison of Exchange Transactions**

(a) – (d) No change.

**••• Commentary**

**.01** No change.

**.02** Regardless of whether or not a registered clearing agency is being used for comparison and/or settlement, each clearing member organization shall submit the following trade data and audit trail information with respect to contracts for securities entered into on the Exchange to a registered clearing agency in such form and within such time periods as may be described by the registered clearing agency or the Exchange;

\* \* \* \* \*

(12) Account-type code – equities only. The current account type codes for equity transactions are as follows. Members should use the most restrictive account type code available. Thus, for example, members only should use the “A” account type code for an agency transaction when no other account type code accurately describes the trade. These codes may be changed from time to time as the Exchange may determine:

\* \* \* \* \*

G—Registered Trader[, Designated Amex Remote Trader] and Registered Equity Market Maker market maker transactions in the equities and ETFs in which they are registered as a market maker regardless of the clearing member, and Registered Option Trader and option specialist transactions in an underlying Paired Security if the underlying Paired

Security is an equity other than an ETF (e.g., SPY, DIA, QQQQ, HOLDRS, Sector SPDRs)

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**Rule 957. Accounts, Orders and Records of Registered Traders, [Designated Amex Remote Traders, ]Specialists and Associated Persons**

(a) **Associated Persons.—Identification of Accounts**—Each Specialist[, Designated Amex Remote Trader] and Registered Trader in the Exchange-Traded Fund Shares as defined in Commentary .06 to Rule 915, is obligated to conduct all trading in the Exchange-Traded Fund Shares in account(s) that have been reported to the Exchange. In addition, in a manner prescribed by the Exchange, each Specialist and Registered Trader engaging in options trading shall file with the Exchange and keep current a list identifying all accounts for stock, option, non-U.S. currency, non-U.S. currency options, futures or options on futures on such currency, any other derivatives based on such currency, physical commodities, physical commodity options, commodity futures contracts, options on commodity futures contracts, any other derivatives based on such commodity and other related trading in which the Specialist or Registered Trader may, directly or indirectly, engage in trading activities or over which he exercises investment discretion. No Specialist[, Designated Amex Remote Trader] or Registered Trader shall engage in stock, option, non- U.S. currency, non-U.S. currency option, futures, options on futures on such currency, any other derivatives based on such currency, physical commodities, physical commodity options, commodity futures contracts, options on commodity futures contracts, any other derivatives based on such commodity or other related trading in an account which has not been reported pursuant to this Rule.

(b) – (d) No change.

••• *Commentary* -----

**.01** Reports of accounts and orders required to be filed with the Exchange pursuant to paragraphs (a) and (b) of this Rule relate only to accounts in which a Specialist[, Designated Amex Remote Trader] or Registered Trader, as an individual directly or indirectly, controls trading activities or has a direct interest in the profits or losses of such accounts. Reports are required for accounts over which a Specialist[, Designated Amex Remote Trader] or Registered Trader exercises investment discretion as well as his proprietary accounts. For purposes of this Rule, the types of trading which shall be considered to be related to an option on a particular underlying security shall include trading in (i) securities convertible into or exchangeable for such underlying security, (ii) any contract calling for the future delivery of a security which permits delivery of such underlying security, and (iii) any option contract which, following exercise, would require the delivery of such a futures contract.

**.02** No change.

**.03** In addition to the existing obligations under Exchange rules regarding the production of books and records, a specialist[, Designated Amex Remote Trader] or Registered Trader in non-U.S. currency, non-U.S. currency options, futures or options on futures on such currency, or any other derivatives based on such currency, shall make available to the Exchange such books, records or other information pertaining to transactions in the applicable non-U.S. currency, non-U.S.-currency options, futures, or options on futures on such currency, or any other derivatives on such currency, as may be requested by the Exchange.

**.04** In addition to the existing obligations under Exchange rules regarding the production of books and records, a specialist[, Designated Amex Remote Trader] or Registered Trader in commodity futures contracts, options on commodity futures contracts or any other derivatives based on such commodity, shall make available to the Exchange such books, records or other information pertaining to transactions in the applicable physical commodity, physical commodity options, commodity futures contracts, options on commodity futures contracts, or any other derivatives on such commodity, as may be requested by the Exchange.

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