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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. SR - 2007 - 39
Amendment No.

Proposed Rule Change by American Stock Exchange

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial	Amendment	Withdrawal	Section 19(b)(2)	Section 19(b)(3)(A)	Section 19(b)(3)(B)
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action ☐

Date Expires

Rule

- ☐ 19b-4(f)(1)
- ☐ 19b-4(f)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☑ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

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

Proposal to adopt changes to Rule 126A AEMI

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: Daniel
Last Name: Mollin
Title: Associate General Counsel
E-mail: Daniel.Mollin@amex.com
Telephone: (212) 306-1154
Fax: (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 officer.

Date: 04/20/2007

By: William C. Love, Jr.
(Name)

Vice President and Associate General Counsel
(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.

William C. Love, Jr.,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information Add Remove View	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 Add Remove View	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 Add Remove View 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 Add Remove View 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 Add Remove View	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 Add Remove View	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 Add Remove View	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 adopt changes to Rule 126A – AEMI in order to fully conform the list of circumstances described therein with additional exceptions (a) listed in Rule 611(b) of Regulation NMS or (b) separately granted by the Securities and Exchange Commission (the "Commission") pursuant to exemptive orders issued pursuant to Rule 611(d) of Regulation NMS. The following resultant changes to Rule 126A – AEMI are proposed: (i) addition of the "stopped order" exception specified under Rule 611(b)(9) of Regulation NMS; (ii) addition of an exception for "qualified contingent trades" as described and granted by the Commission in Securities Exchange Act Release No. 34-54389 dated August 31, 2006; and (iii) addition of an exception for certain "sub-penny trade-throughs" as described and granted by the Commission in Securities Exchange Act Release No. 34-54678 dated October 31, 2006. 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 April 20, 2005. 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 currently operating, and has adopted rules in connection with the operation of, its new hybrid market trading platform for equity products and exchange traded funds, designated as AEMI^SM (the Auction and Electronic Market Integration platform). Rule 126A – AEMI is the Exchange's effectuation of Rule 611 of Regulation NMS ("Order protection rule"), whereby trading centers are required to "establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent trade-throughs on that trading center of protected quotations in NMS stocks," subject to certain exceptions. Rule 126A – AEMI, in relevant part, currently requires AEMI to generate an intermarket sweep order to any away market displaying a protected quotation simultaneously with the execution of a transaction on the Amex that would constitute a trade-through, except when one or more of eight circumstances – all contemplated in Rule 611 of Regulation NMS – exist.

The current proposed changes are intended to expand the list of exceptional circumstances in Rule 126A – AEMI to include (i) an additional exception from Rule 611(b)(9) of Regulation NMS pertaining to certain "stopped orders" for which the Amex had, at the time of receipt of the order, guaranteed an execution at no worse than a specified price[1]; (ii) an additional exception for "qualified contingent trades" as described and granted by the Commission in Securities Exchange Act Release No. 34-54389 dated August 31, 2006[2]; and (iii) an additional exception for certain "sub-penny

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[1] Although Rule 109—AEMI prohibits granting or accepting a stop with respect to a security traded in AEMI, this exemption may still be applicable in certain situations such as error corrections.

[2] 71 F.R. 52829 (September 7, 2006)

trade-throughs" as described and granted by the Commission in Securities Exchange Act Release No. 34-54678 dated October 31, 2006.[3]

The Exchange asserts that the proposal to effect the foregoing changes to the AEMI trading system does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and does not have the effect of limiting the access to or availability of the system.

(b) *Basis*

The proposed rule change is designed to be consistent with Regulation NMS, as well as consistent with Section 6(b) of the Securities Exchange Act of 1934[4] (the "1934 Act"), in general, and furthers the objectives of Section 6(b)(5) thereunder,[5] 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 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 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.

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[3] 71 F.R. 65018 (November 6, 2006)

[4] 15 U.S.C. 78f(b).

[5] 15 U.S.C. 78f(b)(5).

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.[6]

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[7] and Rule 19b-4(f)(5) thereunder.[8]

(b) The filing relates solely to effecting a change in an existing order-entry or trading system of a self-regulatory organization that (i) does not significantly affect the protection of investors or the public interest, (ii) does not impose any significant burden on competition, and (iii) does not have the effect of limiting the access to or the availability of the system, and as such takes effect upon filing under Subsection (iii) 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. Form of Notice of Proposed Rule Change for publication in the Federal Register
2. Not applicable
3. Not applicable

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6 15 U.S.C. 78f(b)(2).

7 15 U.S.C. 78s(b)(3).

8 17 CFR 240.19b-4(f)(5).

4. Not applicable

5. Text of the Proposed Rule Change

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-   ; File No. SR-Amex-2007-39)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by American Stock Exchange LLC to Add Additional Exceptions to Rule 126A—AEMI Relating to the Generation of Intermarket Sweep Orders

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "1934 Act"), 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 adopt changes to Rule 126A – AEMI in order to fully conform the list of circumstances described therein with additional exceptions (a) listed in Rule 611(b) of Regulation NMS or (b) separately granted by the Securities and Exchange Commission (the "Commission") pursuant to exemptive orders issued pursuant to Rule 611(d) of Regulation NMS. The following resultant changes to Rule 126A – AEMI are proposed: (i) addition of the "stopped order" exception specified under Rule 611(b)(9) of Regulation NMS; (ii) addition of an exception for "qualified contingent trades" as described and granted by the Commission in Securities Exchange Act Release No. 34-54389 dated August 31, 2006; and (iii) addition of an exception for certain "sub-penny trade-throughs" as described and granted by the Commission in Securities Exchange Act

Release No. 34-54678 dated October 31, 2006.

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 currently operating, and has adopted rules in connection with the operation of, its new hybrid market trading platform for equity products and exchange traded funds, designated as AEMI^{SM} (the Auction and Electronic Market Integration platform). Rule 126A – AEMI is the Exchange's effectuation of Rule 611 of Regulation NMS ("Order protection rule"), whereby trading centers are required to "establish, maintain, and enforce written policies and procedures that are reasonably designed to prevent trade-throughs on that trading center of protected quotations in NMS stocks," subject to certain exceptions. Rule 126A – AEMI, in relevant part, currently requires AEMI to generate an intermarket sweep order to any away market displaying a protected quotation simultaneously with the execution of a transaction on the Amex that would constitute a trade-through, except when one or more of eight circumstances – all contemplated in Rule 611 of Regulation NMS – exist.

The current proposed changes are intended to expand the list of exceptional circumstances in Rule 126A – AEMI to include (i) an additional exception from Rule 611(b)(9) of Regulation NMS pertaining to certain "stopped orders" for which the Amex had, at the time of receipt of the order, guaranteed an execution at no worse than a specified price[1]; (ii) an additional exception for "qualified contingent trades" as described and granted by the Commission in Securities Exchange Act Release No. 34-54389 dated August 31, 2006[2]; and (iii) an additional exception for certain "sub-penny trade-throughs" as described and granted by the Commission in Securities Exchange Act Release No. 34-54678 dated October 31, 2006.[3]

The Exchange asserts that the proposal to effect the foregoing changes to the AEMI trading system does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and does not have the effect of limiting the access to or availability of the system.

(2) Statutory Basis

The proposed rule change is designed to be consistent with Regulation NMS, as well as consistent with Section 6(b) of the Securities Exchange Act of 1934[4] (the "1934 Act"), in general, and furthers the objectives of Section 6(b)(5) thereunder,[5] 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

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[1] Although Rule 109—AEMI prohibits granting or accepting a stop with respect to a security traded in AEMI, this exemption may still be applicable in certain situations such as error corrections.

[2] 71 F.R. 52829 (September 7, 2006)

[3] 71 F.R. 65018 (November 6, 2006)

[4] 15 U.S.C. 78f(b).

[5] 15 U.S.C. 78f(b)(5).

impediments to and perfect the mechanism of a free and open market and national market system and, in general, to protect investors and the public interest.

B. 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.

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[6] and Rule 19b-4(f)(5)[7] 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 of 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

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6 15 U.S.C. 78s(b)(3)(A).
7 17 CFR 240.19b-4(f)(5).

send an e-mail to *rulecomments@sec.gov*. Please include File No. SR Amex 2007-39 on the subject line.

Paper Comments:

Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File No. SR Amex 2007-39. 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 2007-39 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.[8]

Dated: Nancy M. Morris
Secretary

[8] 17 CFR 200.30–3(a)(12).

SR Amex 2007-39
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 126A—AEMI

Protected Bids and Offers of Away Markets

Except when one or more of the following eleven [eight] circumstances exist, AEMI shall generate an intermarket sweep order to any away market displaying a protected quotation simultaneously with the execution of a transaction on the Amex that would constitute a trade-through. All such intermarket sweep orders shall be generated for the account of the bid, offer or order that caused the generation of the intermarket sweep order:

(1) The transaction that constituted the trade-through was effected when the trading center displaying the protected quotation that was traded through was experiencing a failure, material delay, or malfunction of its systems or equipment.

(2) The transaction that constituted the trade-through was not a "regular way" contract.

(3) The transaction that constituted the trade-through was a single-priced opening, reopening, cash closing, or closing transaction by the Amex.

(4) The transaction that constituted the trade-through was executed at a time when a protected bid was priced higher than a protected offer in the NMS stock.

(5) The transaction that constituted the trade-through was the execution of an order identified as an intermarket sweep order.

(6) At the time the Amex effected the transaction that constituted the trade-through, it simultaneously routed an intermarket sweep order to execute against the full displayed size of any protected quotation in the NMS stock that was traded through.

(7) The transaction that constituted the trade-through was the execution of an order at a price that was not based, directly or indirectly, on the quoted price of the NMS stock at the time of execution and for which the material terms were not

reasonably determinable at the time the commitment to execute the order was made.

(8) The trading center displaying the protected quotation that was traded through had displayed, within one second prior to execution of the transaction that constituted the trade-through, a best bid or best offer, as applicable, for the NMS stock with a price that was equal or inferior to the price of the trade-through transaction.

(9) The transaction that constituted the trade-through was the execution by the Amex of an order for which, at the time of receipt of the order, the Amex had guaranteed an execution at no worse than a specified price (a "stopped order"), where:

(i) The stopped order was for the account of a customer;

(ii) The customer agreed to the specified price on an order-by-order basis; and

(iii) The price of the trade-through transaction was, for a stopped buy order, lower than the national best bid in the NMS stock at the time of execution or, for a stopped sell order, higher than the national best offer in the NMS stock at the time of execution.[1]

(10) The transaction that constituted the trade-through was the execution of an order involving one or more NMS stocks (each an "Exempted NMS Stock Transaction") that were components of a "qualified contingent trade." A qualified contingent trade is a transaction consisting of two or more component orders, executed as agent or principal, where:

(i) at least one component order is in an NMS stock;

(ii) all components are effected with a product or price contingency that either has been agreed to by the respective counterparties or arranged for by a broker-dealer as principal or agent;

(iii) the execution of one component is contingent upon the execution of all other components at or near the same time;

(iv) the specific relationship between the component orders (e.g., the spread between the prices of the component orders) is determined at the time the contingent order is placed;

(v) the component orders bear a derivative relationship to one another, represent different classes of shares of the same issuer, or involve the

[1] Although Rule 109—AEMI prohibits granting or accepting a stop with respect to a security traded in AEMI, this exemption may still be applicable in certain situations such as error corrections.

securities of participants in mergers or with intentions to merge that have been announced or since cancelled;[2]

(vi) the Exempted NMS Stock Transaction is fully hedged (without regard to any prior existing position) as a result of the other components of the contingent trade;[3] and

(vii) the Exempted NMS Stock Transaction that is part of a contingent trade involves at least 10,000 shares or has a market value of at least $200,000.

(11) The price of the protected quotation that was traded through was $1.00 or less and the price of the transaction that constituted the trade-through was less than $0.01 away from the price of the protected quotation that was traded through.

A member may submit an intermarket sweep order to the Exchange only if it has simultaneously sent an intermarket sweep order for the full displayed size of every other better-priced protected quotation displayed by other trading centers.

Following the compliance date for Rule 611 of Regulation NMS, the Exchange shall identify all trades executed pursuant to an exception or exemption from Rule 611 of Regulation NMS in accordance with specifications approved by the operating committee of the relevant national market system plan for an NMS stock. If a trade is executed pursuant to both the intermarket sweep order exception of Rule 611(b)(5) or (6) and the self-help exception of Rule 611(b)(1), such trade shall be identified as executed pursuant to the intermarket sweep order exception.

An intermarket sweep order shall be generated if an order that is entered on the Amex would lock or cross a protected quotation in an away market. Each outbound intermarket sweep order will be issued as an immediate or cancel order but will also carry an expiration delay timer.

Amex will actively monitor all systems relating to private linkage at all times to ensure that systems are functioning correctly. Amex will also ensure that the private linkage provider is responsible for the active monitoring of all connections relating to private linkage and for providing immediate notification regarding system problems. In the event that AEMI does not receive any response at all to an outbound intermarket sweep order, and assuming that no system errors have been detected, AEMI will issue a cancellation at the expiration of the expiration delay timer. This action will release the corresponding order that had been suspended on the AEMI Book pending the response to the

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[2] Transactions involving securities of participants in mergers or with intentions to merge that have been announced would meet this aspect of the exemption. Transactions involving cancelled mergers, however, would constitute qualified contingent trades only to the extent they involve the unwinding of a pre-existing position
in the merger participants' shares. Statistical arbitrage transactions, absent some other derivative or merger arbitrage relationship between component orders, would not satisfy this element of the definition of a qualified contingent trade.

[3] Reasonable risk-valuation methodologies may be used to demonstrate that an Exempted NMS Stock Transaction is fully hedged under the circumstances.

intermarket sweep order, and the released order will re-aggress the AEMI Book (including the generation of intermarket sweep orders to other away markets, if necessary).

In the event that AEMI receives a rejection (i.e., a no-fill or partial fill cancellation) in response to an outbound intermarket sweep order and the quotation at the away market is not updated, AEMI will release the corresponding order that had been suspended on the AEMI Book so that it may re-aggress the AEMI Book as described in the immediately prior paragraph (including the generation of intermarket sweep orders to other away markets, if necessary). Other intermarket sweep orders will still continue to be routed to that particular away market's protected quotation in that security.

In accordance with Rule 611(a) of Regulation NMS, the Exchange may, pursuant to objective industry-wide established interpretations and policies, determine to bypass the quotations displayed by another trading center if such trading center repeatedly fails to respond within one second to orders attempting to access such trading center's protected quotations provided such failures are attributable to such trading center and are not attributable to transmission outside the control of such trading center. In connection with any such determination, the Exchange will immediately notify the non-responding trading center of such determination.