

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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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 amend Section 107D(g) of the Amex *Company Guide* to expand the permissible component foreign securities and American Depository Receipts (“ADRs”) that may be components of an underlying index in connection with index-linked securities (the “Index Securities”). 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 23, 2004. No further action by the Board or by the membership of the Exchange is required to be taken.

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

(a) *Purpose*

The purpose of this proposal is to expand the number of permissible securities indexes comprised of foreign securities and/or ADRs that may qualify under Section 107D(g) of the Amex *Company Guide*.

The Commission in April 2005 approved Section 107D to the Amex *Company Guide* adopting generic listing standards to permit the listing and trading of Index Securities pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934 (the “1934 Act”).¹ As a result, the Exchange may list Index Securities based on an index or indexes (the “Underlying Index”) that meet the criteria set forth in paragraph (g) of

¹ See Securities Exchange Act Release No. 51563 (April 15, 2005), 70 FR 21257 (April 25, 2005).

Section 107D of the *Amex Company Guide*. Specifically, an Underlying Index is required to either be (i) an index meeting the specific criteria set forth in Section 107D(g); or (ii) an index previously approved for the trading of options or other derivative securities by the Commission under Section 19(b)(2) of the 1934 Act and rules thereunder.

Section 107D(g) of the *Amex Company Guide* provides the following requirements:

- (i) A minimum market value of at least \$75 million, except that for each of the lowest weighted Underlying Securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market value can be at least \$50 million;
- (ii) Trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest weighted Underlying Securities in the index that in the aggregate account for no more than 10% of the weight of the index, the trading volume shall be at least 500,000 shares in each of the last six months;
- (iii) In the case of a capitalization-weighted index, the lesser of the five highest weight Underlying Securities in the index or the highest weighted Underlying Securities in the index that in the aggregate represent at least 30% of the total number of Underlying Securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;
- (iv) No component security will represent more than 25% of the weight of the index, and the five highest weighted component securities in the index will not in the aggregate account for more than 50% of the weight of the index (60% for an index consisting of fewer than 25 Underlying Securities);
- (v) 90% of the index's numerical index value and at least 80% of the total number of component securities will meet the then current criteria for standardized options trading set forth in Exchange Rule 915;
- (vi) Each component security shall be a 1934 Act reporting company which is listed on a national securities exchange or is

traded through the facilities of a national securities system and is subject to last sale reporting; and

(vii) Foreign country securities or American Depositary Receipts (“ADRs”) that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 20% of the weight of the index.

The Exchange’s experience to date has revealed that it is difficult to list and trade Index Securities based on an underlying index of foreign securities and/or ADRs where the underlying primary market is outside of the United States. In particular, subparagraph (g)(vi) of Section 107D of the *Company Guide* prohibits the use of component securities unless each component security is a 1934 Act reporting company listed on a national securities exchange or traded through the facilities of a national securities system and is subject to last sale reporting. This requirement essentially eliminates the usefulness of the generic listing standard or Index Securities because it prohibits the use of foreign indexes (not already approved by the Commission) in connection with Index Securities unless the underlying components are listed and traded on a U.S. securities exchange. Accordingly, we believe that the requirements set forth above in subparagraph (vi) of Section 107D(g) of the Amex Company Guide are unduly restrictive to the detriment of the marketplace as well as the application of the generic listing standard.

This proposal would revise subparagraph (vi) of Section 107D of the Amex Company Guide and combine current subparagraphs (vi) and (vii) of Section 107D. This revision would permit the Exchange to list and trade Index Securities if each underlying component is either (i) issued by a reporting company under the 1934 Act, listed on a national securities exchange and a “NMS stock,” as defined in Rule 600 of Regulation NMS, or (ii) a foreign country security or American Depositary Receipt (“ADRs”), provided that the foreign country security or foreign country securities underlying an ADR have a primary

trading market outside the United States. In addition, for an index consisting of foreign country securities and/or ADRs, such foreign country securities or foreign country securities underlying ADRs having their primary trading market outside the United States on foreign trading markets that are not members of the Intermarket Surveillance Group (“ISG”) or are not parties to a comprehensive surveillance sharing agreement with the Exchange, could not in the aggregate, represent more than 20% of the weight of the index.

The Exchange submits that the expansion of the potential foreign country securities and ADRs that may be components of an eligible index underlying Index Securities will benefit the marketplace and investors. We believe that this proposal will greatly enhance the market for potential foreign-based index products listed and traded on the Exchange.

(b) *Basis*

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act² in general and furthers the objectives of Section 6(b)(5)³ in 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 that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

² 15 U.S.C. 78f(b).

³ 15 U.S.C. 78f(b)(5).

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.⁴

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

(a) This proposed rule change is filed pursuant to paragraph (A) of Section 19(b)(3) of the Exchange Act.⁵

(b) This proposed rule change does not significantly affect the protection of 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. The Exchange requests that the Commission waive the 30-day operative delay period for “non-controversial” proposals and make the proposed rule change effective and operative upon filing.

(c) Not applicable.

(d) Not applicable.

⁴ 15 U.S.C. 78f(b)(2).

⁵ 15 U.S.C. 78s(b)(3)(A).

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

The proposed rule change is not based on 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-2007-44)

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating to Amendments to Section 107D of the Amex Company Guide

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 Exchange proposes to amend to Section 107D(g) of the *Amex Company Guide* to expand the permissible component foreign securities and American Depositary Receipts ("ADRs") that may be components of an underlying index in connection with index-linked securities (the "Index Securities").

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

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

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

(1) Purpose

The purpose of this proposal is to expand the number of permissible securities indexes comprised of foreign securities and/or ADRs that may qualify under Section 107D(g) of the *Amex Company Guide*.

The Commission in April 2005 approved Section 107D to the *Amex Company Guide* adopting generic listing standards to permit the listing and trading of Index Securities pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934 (the "1934 Act").¹ As a result, the Exchange may list Index Securities based on an index or indexes (the "Underlying Index") that meet the criteria set forth in paragraph (g) of Section 107D of the *Amex Company Guide*. Specifically, an Underlying Index is required to either be (i) an index meeting the specific criteria set forth in Section 107D(g); or (ii) an index previously approved for the trading of options or other

¹ See Securities Exchange Act Release No. 51563 (April 15, 2005), 70 FR 21257 (April 25, 2005).

derivative securities by the Commission under Section 19(b)(2) of the 1934 Act and rules thereunder.

Section 107D(g) of the Amex Company Guide provides the following requirements:

- (i) A minimum market value of at least \$75 million, except that for each of the lowest weighted Underlying Securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market value can be at least \$50 million;
- (ii) Trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest weighted Underlying Securities in the index that in the aggregate account for no more than 10% of the weight of the index, the trading volume shall be at least 500,000 shares in each of the last six months;
- (iii) In the case of a capitalization-weighted index, the lesser of the five highest weight Underlying Securities in the index or the highest weighted Underlying Securities in the index that in the aggregate represent at least 30% of the total number of Underlying Securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;
- (iv) No component security will represent more than 25% of the weight of the index, and the five highest weighted component securities in the index will not in the aggregate account for more than 50% of the weight of the index (60% for an index consisting of fewer than 25 Underlying Securities);
- (v) 90% of the index's numerical index value and at least 80% of the total number of component securities will meet the then current criteria for standardized options trading set forth in Exchange Rule 915;
- (vi) Each component security shall be a 1934 Act reporting company which is listed on a national securities exchange or is traded through the facilities of a national securities system and is subject to last sale reporting; and
- (vii) Foreign country securities or American Depositary Receipts ("ADRs") that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 20% of the weight of the index.

The Exchange's experience to date has revealed that it is difficult to list and trade Index Securities based on an underlying index of foreign securities and/or ADRs where the underlying primary market is outside of the United States. In particular, subparagraph (g)(vi) of Section 107D of the *Company Guide* prohibits the use of component securities unless each component security is a 1934 Act reporting company listed on a national securities exchange or traded through the facilities of a national securities system and is subject to last sale reporting. This requirement essentially eliminates the usefulness of the generic listing standard for Index Securities because it prohibits the use of foreign indexes (not already approved by the Commission) in connection with Index Securities unless the underlying components are listed and traded on a U.S. securities exchange. Accordingly, we believe that the requirements set forth above in subparagraph (vi) of Section 107D(g) of the Amex Company Guide are unduly restrictive to the detriment of the marketplace as well as the application of the generic listing standard.

This proposal would revise subparagraph (vi) of Section 107D of the Amex Company Guide and combine current subparagraphs (vi) and (vii) of Section 107D. This revision would permit the Exchange to list and trade Index Securities if each underlying component is either (i) issued by a reporting company under the 1934 Act, listed on a national securities exchange and a "NMS stock," as defined in Rule 600 of Regulation NMS, or (ii) a foreign country security or American Depositary Receipt ("ADRs"), provided that the foreign country security or foreign country securities underlying an ADR have a primary trading market outside the United States. In addition, for an index consisting of foreign country securities and/or ADRs, such foreign country securities or foreign country securities underlying ADRs having their primary trading market outside the United States on foreign

trading markets that are not members of the Intermarket Surveillance Group (“ISG”) or are not parties to a comprehensive surveillance sharing agreement with the Exchange, could not in the aggregate, represent more than 20% of the weight of the index.

The Exchange submits that the expansion of the potential foreign country securities and ADRs that may be components of an eligible index underlying Index Securities will benefit the marketplace and investors. We believe that this proposal will greatly enhance the market for potential foreign-based index products listed and traded on the Exchange.

(2) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act² in general and furthers the objectives of Section 6(b)(5)³ in 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.

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

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

² 15 U.S.C. 78f(b).

³ 15 U.S.C. 78f(b)(5).

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 pursuant to Section 19(b)(3)(A)⁴ of the Securities Exchange Act of 1934 and Rule 19b-4(f)(6)⁵ under the Act because: (i) it does not significantly affect the protection of investors or the public interest; (ii) it does not impose any significant burden on competition; and (iii) by its terms, it 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 self-regulatory organization has given the Commission written 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.

A proposed rule change filed under Rule 19b-4(f)(6) may not become operative prior to thirty (30) days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. To the extent necessary, the Exchange respectfully requests that the Commission waive the thirty (30) day period for this filing to become operative so that it may become effective and operative upon filing with the Commission. Waiver of the 30-day waiting period will ensure that the amendment to

⁴ 15 U.S.C. Section 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

Section 107D(g) of the Amex Company Guide coincides with similar rule changes by our competitors. We believe accelerated approval of this proposed rule change will promote a fair and competitive marketplace.

The Commission believes that it is consistent with the protection of investors and the public interest for the proposed rule change to become effective on an accelerated basis for the purpose of amending Section 107D(g) of the Amex Company Guide to expand the permissible component foreign securities and ADRs that may be components of an underlying index in connection with index-linked securities. At any time within sixty (60) days of the filing of the 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 furtherance of the purposes of the Act

IV. Solicitation of Comments

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

Electronic Comments:

Use the Commission's Internet comment form at <http://www.sec.gov/rules/sro.shtml> or send an e-mail to rulecomments@sec.gov. Please include File No. SR-Amex-2007-44 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-2007-44. 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. 2007-44 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.⁶

Dated:

Nancy M. Morris
Secretary

⁶ 17 CFR 200.30-3(a)(12).

**AMERICAN STOCK EXCHANGE LLC
Proposed Rule Change**

It is proposed that the following provisions of the Amex *Company Guide* be amended as set forth below. Additions are underlined and deletions are [bracketed].

Sec. 107. OTHER SECURITIES

The Exchange will consider listing any security not otherwise covered by the criteria of Sections 101 through 106, provided the issue is otherwise suited for auction market trading. Such issues will be evaluated for listing against the following criteria:

A. General Criteria. No Change

B. Equity Linked Term Notes. No Change

C. Index-Linked Exchangeable Notes. No Change

D. Index-Linked Securities

Index-linked securities are securities that provide for the payment at maturity of a cash amount based on the performance of an underlying index or indexes. Such securities may or may not provide for the repayment of the original principal investment amount. The Exchange may submit a rule filing pursuant to Section 19(b)(2) of the Securities Exchange Act of 1934 to permit the listing and trading of index-linked securities that do not otherwise meet the standards set forth below in paragraphs (a) through (k). The Exchange will consider for listing and trading pursuant to Rule 19b-4(e) under the Securities Exchange Act of 1934, index-linked securities provided:

(a) through (f). No Change

(g) Initial Listing Criteria—Each underlying index is required to have at least ten (10) component securities. In addition, the index or indexes to which the security is linked shall either (1) have been reviewed and approved for the trading of options or other derivatives by the Commission under Section 19(b)(2) of the 1934 Act and rules thereunder and the conditions set forth in the Commission's approval order, including

comprehensive surveillance sharing agreements for non-U.S. stocks, continue to be satisfied, or (2) the index or indexes meet the following criteria:

(i) Each component security has a minimum market value of at least \$75 million, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the market value can be at least \$50 million;

(ii) Each component security shall have trading volume in each of the last six months of not less than 1,000,000 shares, except that for each of the lowest weighted component securities in the index that in the aggregate account for no more than 10% of the weight of the index, the trading volume shall be at least 500,000 shares in each of the last six months;

(iii) In the case of a capitalization weighted index or modified capitalization weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of component securities in the index, each have an average monthly trading volume of at least 2,000,000 shares over the previous six months;

(iv) No underlying component security will represent more than 25% of the weight of the index, and the five highest weighted component securities in the index do not in the aggregate account for more than 50% of the weight of the index (60% for an index consisting of fewer than 25 component securities);

(v) 90% of the index's numerical value and at least 80% of the total number of component securities will meet the then current criteria for standardized option trading set forth in Exchange Rule 915; and

(vi) All component securities must either be: (A) securities (other than foreign country securities and American Depositary Receipts ("ADRs")) that are: (i) issued by a reporting company under the 1934 Act that is listed on a national securities exchange, and (ii) "NMS stock," as defined in Rule 600 of Regulation NMS, or (B) foreign country securities or ADRs, provided that the foreign country securities or foreign country securities underlying ADRs having their primary trading market outside the United States on foreign trading markets that are not members of the Intermarket Surveillance Group ("ISG") or are not parties to comprehensive surveillance sharing agreements with the Exchange will not, in the aggregate, represent more than 20% of the dollar weight of the underlying index. [Each component security shall be a 1934 Act reporting company which is listed on a national securities exchange or is traded through the facilities of Nasdaq and reported national market system securities; and (vii) Foreign country securities or American Depositary Receipts ("ADRs") that are not subject to comprehensive surveillance agreements do not in the aggregate represent more than 20% of the weight of the index.]

(h) Continued Listing Criteria. No Change

E. Trust Certificate Securities. No Change

••• *Commentary* -----

.01 No Change