

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information

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

Exhibit 1 - Notice of Proposed Rule Change

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

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

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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

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

(a) The American Stock Exchange LLC (the “Amex” or the “Exchange”) proposes to adopt new rules authorizing the Amex to enter into arrangements with one or more other exchanges which would provide for backup trading facilities for Amex listed options on another exchange if the Amex’s facility becomes disabled and is unavailable for trading. The proposed rules further provide for the availability of Amex trading facilities to another exchange to trade its listed options if that exchange’s facility becomes disabled. 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 November 17, 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 Amex proposes to adopt new Rule 62 governing Backup Trading Arrangements. Proposed new Rule 62 sets forth procedures whereby Amex members and associated persons may use a Backup Exchange’s facilities to conduct the trading of some or all of its Exclusively and Singly Listed Options for the duration of a disabling event. The Amex will provide for another exchange (a “Disabled Exchange”) to trade its Exclusively and Singly Listed Options in the event they are unable to do so because of an

emergency or extraordinary set of circumstances that severely and adversely affects its ability to trade (a “Disabling Event”).

The Amex is the Disabled Exchange

Proposed Rule 62(a)(i) governs the trading of Exclusively Listed Options (“Exclusively Listed Options” or “ELOs”) if the Amex is the Disabled Exchange. The term “exclusively listed option” is defined as an option that is listed exclusively by an exchange (because such exchange has an exclusive license to use, or has proprietary rights in, the interest underlying the option). Proposed Rule 62(a)(i)(B) provides that the Amex may enter into arrangements with one or more other exchanges (each a “Backup Exchange”) to permit the Amex and its members and associated persons and other personnel to use a portion of the Backup Exchange's facilities to conduct the trading of some or all of the Amex’s Exclusively Listed Options if there were a Disabling Event. Such options shall trade as listings of Amex and the facility of the Backup Exchange used by the Amex for this purpose will be deemed to be a facility of the Amex.

The Exchange’s proposal further provides that the trading of Amex Exclusively Listed Options shall be conducted in accordance with the rules of the Backup Exchange. In addition, the Amex and the Backup Exchange may agree that other rules of the Amex will apply to such trading. The Backup Exchange rules that govern trading on Amex’s facility at the Backup Exchange shall be deemed to be Amex rules for purposes of such trading.

According to the Exchange’s proposal, the Backup Exchange shall perform the related regulatory functions with respect to trading of Amex Exclusively Listed Options on the Amex’s facility at the Backup Exchange, except as the Amex and

the Backup Exchange may specifically agree otherwise. The Backup Exchange and the Amex shall coordinate with each other regarding surveillance and enforcement respecting trading of the Exclusively Listed Options on the Amex's facility at the Backup Exchange.

If the Backup Exchange is unable to accommodate all Amex members that desire to trade on Amex's facility at the Backup Exchange, the Amex may determine which members shall be eligible to trade at that facility. Factors the Amex shall consider in making such determinations may include, but are not limited to, any one or more of the following: whether the member is a specialist in the applicable product, the number of contracts traded by the member or member organization in the applicable product, market performance, and other factors relating to a member's contribution to the market in the applicable product or products during a specific period.

The Exchange's proposal further provides that the members of the Backup Exchange shall not be authorized to trade in any Amex Exclusively Listed Options, except that the Amex may deputize willing floor brokers of the Backup Exchange as temporary Amex members to permit them to execute orders as brokers in the Amex Exclusively Listed Options traded on the Amex's facility at the Backup Exchange. Furthermore, the Backup Exchange has agreed that it will, at the instruction of Amex, select members of the Backup Exchange that are willing to be deputized by the Amex as temporary Amex members authorized to trade Amex Exclusively Listed Options on the Amex's facility at the Backup Exchange for a period of time following a Disabling Event as the Amex determines to be appropriate, and the Amex may deputize such members of the Backup Exchange as temporary Amex members for that purpose.

The Exchange's proposal further provides that options listed by the Backup Exchange that do not satisfy the standard listing and maintenance criteria of the Backup Exchange will be subject, upon listing by the Backup Exchange, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in the rules of the Backup Exchange). Proposed Rule 62(a)(ii) governs the trading of singly listed options (a "Singly Listed Option" or "SLO"). A Singly Listed Option is defined as an option that is not an Exclusively Listed Option, but that is listed by an exchange and not by any other national securities exchange. Proposed Rule 62(a)(ii) provides that the Amex may enter into arrangements with a Backup Exchange under which the Backup Exchange will agree, in the event of a Disabling Event, to list for trading Singly Listed Options that are then singly listed only by the Amex and not by the Backup Exchange. The proposed Rule further provides that any such options listed by the Backup Exchange shall trade on the Backup Exchange and in accordance with the rules of the Backup Exchange. Such options shall be traded by members of the Backup Exchange and by Amex members selected by the Amex to the extent the Backup Exchange can accommodate Amex members in the capacity of temporary members of the Backup Exchange. If the Backup Exchange is unable to accommodate all Amex members that desire to trade at the Backup Exchange, the Amex may determine which of its members shall be eligible to trade at the Backup Exchange.

Any Amex member who is granted temporary access to the Backup Exchange pursuant to this paragraph shall only be permitted to act in those Backup Exchange capacities that are authorized by the Backup Exchange and that are

comparable to capacities in which the temporary member has been authorized to act on the Amex, and to trade in those options in which the temporary member is authorized to trade on the Amex. Finally, Singly Listed Options listed by the Backup Exchange that do not satisfy the standard listing and maintenance criteria of the Backup Exchange will be subject, upon listing by the Backup Exchange, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in the rules of the Backup Exchange).

The Amex is the Backup Exchange

Proposed Rule 62(b)(i) provides that the Amex may enter into arrangements with one or more other Disabled Exchanges to allow the Disabled Exchange and its members to use a portion of the Amex's facilities to conduct the trading of some or all of the Disabled Exchange's Exclusively Listed Options in the event of a Disabling Event.

Proposed paragraph (B) provides that the trading of the Disabled Exchange's Exclusively Listed Options on the Disabled Exchange's facility at the Amex shall be conducted in accordance with Amex rules. The members of the Disabled Exchange that are trading on the Disabled Exchange's facility at the Amex (not including Amex members who become temporary members of the Disabled Exchange) will be subject to the rules of the Disabled Exchange governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange. In addition, the Disabled Exchange and the Amex may agree that other Disabled Exchange rules will apply to such trading. The Disabled Exchange and the Amex have agreed to communicate to their respective members which rules apply in advance of trading.

Proposed paragraph (C) provides that the Amex will perform the related regulatory functions with respect to trading of the Disabled Exchange's Exclusively Listed Options on the Disabled Exchange's facility at the Amex, in each case except as the Disabled Exchange and the Amex may specifically agree otherwise. The Amex and the Disabled Exchange have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of the Disabled Exchange's Exclusively Listed Options on the Disabled Exchange's facility at the Amex. The Disabled Exchange has agreed that it shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to the Disabled Exchange's facility at the Amex.

Proposed paragraph (D) provides the Amex members shall not be authorized to trade in any Exclusively Listed Options of the Disabled Exchange, except that: (1) the Disabled Exchange may deputize willing Amex floor brokers as temporary members of the Disabled Exchange to permit them to execute orders as brokers in Exclusively Listed Options of the Disabled Exchange traded on the facility of the Disabled Exchange at the Amex; and (2) at the instruction of the Disabled Exchange, the Amex shall select Amex members that are willing to be deputized by the Disabled Exchange as temporary members of the Disabled Exchange authorized to trade the Disabled Exchange's Exclusively Listed Options on the facility of the Disabled Exchange at the Amex for such period of time following a Disabling Event as the Disabled Exchange determines to be appropriate, and the Disabled Exchange may deputize such Amex members as temporary members of the Disabled Exchange for that purpose.

Proposed paragraph (b)(ii) provides that the Amex may enter into arrangements with a Disabled Exchange under which the Amex will agree, in the event of

a Disabling Event, to list for trading options that are then singly listed only by the Disabled Exchange and not by the Amex. Singly Listed Options listed by the Amex shall trade on the Amex and in accordance with Amex rules. Such options shall be traded by Amex members and by members of the Disabled Exchange selected by the Disabled Exchange to the extent the Amex can accommodate members of the Disabled Exchange in the capacity of temporary members of Amex. Any member of a Disabled Exchange granted temporary access to conduct business on the Amex under this paragraph shall only be permitted to act in those Amex capacities that are authorized by the Amex, and that are comparable to capacities in which the temporary member has been authorized to act on the Disabled Exchange and to trade in those options in which the temporary member is authorized to trade on the Disabled Exchange.

Classes of options listed by the Amex that does not satisfy Amex listing and maintenance criteria will be subject, upon listing by the Amex, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in Amex rules.)

Temporary Members of the Disabled Exchange and the Backup Exchange

Paragraph (c) of proposed Rule 62 governs the member obligations of both the temporary members of the Disabled Exchange and the temporary members of the Backup Exchange. Proposed paragraph (A) provides that an Amex member acting as a temporary member of the Disabled Exchange shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Disabled Exchange at the Amex to the extent applicable during the period of such trading. Such Amex member shall have none of the rights of a member of the Disabled Exchange except the

right to conduct business on the facility of the Disabled Exchange at the Amex as described in the Exchange's proposal herein. Additionally, the member organization associated with such Amex member, if any, shall be responsible for all obligations arising out of that Amex member's activities on or relating to the Disabled Exchange. Finally, the proposed rule provides that the clearing member of such Amex member shall guarantee and clear the transactions of such Amex member on the Disabled Exchange.

Similarly, the Exchange's proposal provides that a member of the Backup Exchange acting in the capacity of a temporary member of the Amex pursuant to proposed paragraph (a)(i)(F) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Amex at the Backup Exchange, including Amex rules to the extent applicable during the period of such trading. The proposed rule further provides that temporary members shall have none of the rights of an Amex member except the right to conduct business on the facility of Amex at the Backup Exchange as described herein. In addition, the member organization associated with such temporary member, if any, shall be responsible for all obligations arising out of that temporary member's activities on or relating to the Amex and the clearing member of such temporary member shall guarantee and clear the transactions on the Amex of such temporary member.

Proposed paragraph (c)(ii)(A) provides that an Amex member acting in the capacity of a temporary member of the Backup Exchange pursuant to paragraph (a)(ii)(B) shall be subject to, and obligated to comply with, the rules of the Backup Exchange that are applicable to the Backup Exchange's own members. Such Amex member shall have none of the rights of a member of the Backup Exchange except

the right to conduct business on the Backup Exchange to the extent described in the proposed Rule. The member organization associated with such Amex member, if any, shall be responsible for all obligations arising out of that Amex member's activities on or relating to the Backup Exchange. Furthermore, the clearing member of such Amex member shall guarantee and clear the transactions of such Amex member on the Backup Exchange. Finally, such Amex member shall only be permitted to act in those capacities on the Backup Exchange that are authorized by the Backup Exchange and that are comparable to capacities in which the Amex member has been authorized to act on the Amex, and to trade in those options in which the Amex member is authorized to trade on the Amex.

A member of Disabled Exchange acting in the capacity of a temporary member of the Amex pursuant to paragraph (b)(ii)(A) shall be subject to, and obligated to comply with, Amex rules that are applicable to Amex's own members. Such temporary member shall have none of the rights of an Amex member except the right to conduct business on the Amex to the extent described in the proposed Rule. The member organization associated with such temporary member, if any, shall be responsible for all obligations arising out of that temporary member's activities on or relating to the Amex. The clearing member of such temporary member shall guarantee and clear the transactions of such temporary member on the Amex and such temporary member shall only be permitted to act in those Amex capacities that are authorized by the Amex and that are comparable to capacities in which the temporary member has been authorized to act on the Disabled Exchange, and to trade in those option classes in which the temporary member is authorized to trade on the Disabled Exchange.

Member Proceedings

Proposed paragraph (d) governs member proceedings that may take place regarding trading during a backup period. Proposed paragraph (d)(i) provides that if the Amex initiates an enforcement proceeding with respect to the trading during a backup period of the Singly Listed Options of the Disabled Exchange by a temporary member of the Amex or the Exclusively Listed Options of the Disabled Exchange by a member of the Disabled Exchange (other than an Amex member who is a temporary member of the Disabled Exchange), and such proceeding is in process upon the conclusion of the backup period, the Amex may transfer responsibility for such proceeding to the Disabled Exchange following the conclusion of the backup period. Moreover, arbitration of any disputes with respect to any trading during a backup period of Singly Listed Options of the Disabled Exchange or of Exclusively Listed Options of the Disabled Exchange on the Disabled Exchange's facility at the Amex will be conducted in accordance with Amex rules, unless the parties to an arbitration agree that it shall be conducted in accordance with the rules of the Disabled Exchange.

Proposed Rule 62(d)(ii) provides that if the Backup Exchange initiates an enforcement proceeding with respect to the trading during a backup period of Amex Singly Listed Options by a temporary member of the Backup Exchange or Amex Exclusively Listed Options by an Amex member (other than a member of the Backup Exchange who is a temporary member of the Amex), and such proceeding is in process upon the conclusion of the backup period, the Backup Exchange may transfer responsibility for such proceeding to the Amex following the conclusion of the backup period. Furthermore, arbitration of any disputes with respect to any trading during a

backup period of Amex Singly Listed Options on the Backup Exchange or of Amex Exclusively Listed Options on the facility of the Amex at the Backup Exchange will be conducted in accordance with the rules of the Backup Exchange, unless the parties to an arbitration agree that it shall be conducted in accordance with Amex rules.

Finally, the proposed rule provides that Amex members are required to take appropriate actions as instructed by the Exchange to accommodate the Amex's backup trading arrangements.

(b) The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934, as amended (the "Act"),¹ in general and furthers the objectives of Section 6(b)(5) of the Act² 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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; and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, or to regulate by virtue of any authority conferred by the Act matters not related to the purpose of the Act or the administration of the Exchange.

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 Act.

¹ 15 U.S.C. 78f(b).

² 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 Act.³

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

(a) This filing is made pursuant to Paragraph (A) of Section 19(b)(3) and Rule 19b-4(f)(6) thereunder.

(b) The Exchange believes that the proposed rule change (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the Exchange has given the Commission notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Commission has waived the 30-day delayed operative date of Rule 19b-4(f)(6) such that the proposed rule change is operative upon

³ 15 U.S.C. 78s(b)(2).

filing. The PHLX received Commission approval of a substantially similar rule change.⁴ Accordingly, the Exchange believes that this rule change qualifies for expedited approval as a “non-controversial” rule change pursuant to Rule 19b-4(f)(6) because the proposal raises no new regulatory issues, and is concerned solely with a matter that is not likely to engender adverse comments or require the degree of review attendant with more controversial filings. Waiver of this period will allow the Exchange to immediately implement this proposal.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is based on PHLX Rule 99.⁵

9. Exhibits

List of Exhibits Filed:

1. Notice of Proposed Rule Change for publication in the **Federal Register**.
2. Not applicable.
3. A copy of the Agreement relating to Backup Trading Arrangements
4. Not applicable.
5. Text of the Proposed Rule Change.

⁴ See Exchange Act Release No. 51926 (June 27, 2005), 70 FR 38235 (July 1, 2005)(SR-PHLX-2004-65).

⁵ *Supra* footnote 4.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-Amex-2007-51)

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

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 seeks to adopt new rules authorizing the Amex to enter into arrangements with one or more other exchanges which would provide for backup trading facilities for Amex listed options on another exchange if the Amex's facility becomes disabled and is unavailable for trading. The proposed rules further provide for the availability of Amex trading facilities to another exchange to trade its listed options if that exchange's facility becomes disabled.

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

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

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

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

(1) Purpose

The Amex proposes to adopt new Rule 62 governing Backup Trading Arrangements. Proposed new Rule 62 sets forth procedures whereby Amex members and associated persons may use a Backup Exchange's facilities to conduct the trading of some or all of its Exclusively and Singly Listed Options for the duration of a disabling event. The Amex will provide for another exchange (a "Disabled Exchange") to trade its Exclusively and Singly Listed Options in the event they are unable to do so because of an emergency or extraordinary set of circumstances that severely and adversely affects its ability to trade (a "Disabling Event").

The Amex is the Disabled Exchange

Proposed Rule 62(a)(i) governs the trading of Exclusively Listed Options ("Exclusively Listed Options" or "ELOs") if the Amex is the Disabled Exchange. The term "exclusively listed option" is defined as an option that is listed exclusively by an exchange (because such exchange has an exclusive license to use, or

has proprietary rights in, the interest underlying the option). Proposed Rule 62(a)(i)(B) provides that the Amex may enter into arrangements with one or more other exchanges (each a “Backup Exchange”) to permit the Amex and its members and associated persons and other personnel to use a portion of the Backup Exchange's facilities to conduct the trading of some or all of the Amex’s Exclusively Listed Options if there were a Disabling Event. Such options shall trade as listings of Amex and the facility of the Backup Exchange used by the Amex for this purpose will be deemed to be a facility of the Amex.

The Exchange’s proposal further provides that the trading of Amex Exclusively Listed Options shall be conducted in accordance with the rules of the Backup Exchange. In addition, the Amex and the Backup Exchange may agree that other rules of the Amex will apply to such trading. The Backup Exchange rules that govern trading on Amex’s facility at the Backup Exchange shall be deemed to be Amex rules for purposes of such trading.

According to the Exchange’s proposal, the Backup Exchange shall perform the related regulatory functions with respect to trading of Amex Exclusively Listed Options on the Amex’s facility at the Backup Exchange, except as the Amex and the Backup Exchange may specifically agree otherwise. The Backup Exchange and the Amex shall coordinate with each other regarding surveillance and enforcement respecting trading of the Exclusively Listed Options on the Amex’s facility at the Backup Exchange.

If the Backup Exchange is unable to accommodate all Amex members that desire to trade on Amex’s facility at the Backup Exchange, the Amex may determine which members shall be eligible to trade at that facility. Factors the Amex shall consider in making such determinations may include, but are not limited to, any one

or more of the following: whether the member is a specialist in the applicable product, the number of contracts traded by the member or member organization in the applicable product, market performance, and other factors relating to a member's contribution to the market in the applicable product or products during a specific period.

The Exchange's proposal further provides that the members of the Backup Exchange shall not be authorized to trade in any Amex Exclusively Listed Options, except that the Amex may deputize willing floor brokers of the Backup Exchange as temporary Amex members to permit them to execute orders as brokers in the Amex Exclusively Listed Options traded on the Amex's facility at the Backup Exchange. Furthermore, the Backup Exchange has agreed that it will, at the instruction of Amex, select members of the Backup Exchange that are willing to be deputized by the Amex as temporary Amex members authorized to trade Amex Exclusively Listed Options on the Amex's facility at the Backup Exchange for a period of time following a Disabling Event as the Amex determines to be appropriate, and the Amex may deputize such members of the Backup Exchange as temporary Amex members for that purpose.

The Exchange's proposal further provides that options listed by the Backup Exchange that do not satisfy the standard listing and maintenance criteria of the Backup Exchange will be subject, upon listing by the Backup Exchange, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in the rules of the Backup Exchange).

Proposed Rule 62(a)(ii) governs the trading of singly listed options (a "Singly Listed Option" or "SLO"). A Singly Listed Option is defined as an option that is not an Exclusively Listed Option, but that is listed by an exchange and not by any other

national securities exchange. Proposed Rule 62(a)(ii) provides that the Amex may enter into arrangements with a Backup Exchange under which the Backup Exchange will agree, in the event of a Disabling Event, to list for trading Singly Listed Options that are then singly listed only by the Amex and not by the Backup Exchange. The proposed Rule further provides that any such options listed by the Backup Exchange shall trade on the Backup Exchange and in accordance with the rules of the Backup Exchange. Such options shall be traded by members of the Backup Exchange and by Amex members selected by the Amex to the extent the Backup Exchange can accommodate Amex members in the capacity of temporary members of the Backup Exchange. If the Backup Exchange is unable to accommodate all Amex members that desire to trade at the Backup Exchange, the Amex may determine which of its members shall be eligible to trade at the Backup Exchange.

Any Amex member who is granted temporary access to the Backup Exchange pursuant to this paragraph shall only be permitted to act in those Backup Exchange capacities that are authorized by the Backup Exchange and that are comparable to capacities in which the temporary member has been authorized to act on the Amex, and to trade in those options in which the temporary member is authorized to trade on the Amex. Finally, Singly Listed Options listed by the Backup Exchange that do not satisfy the standard listing and maintenance criteria of the Backup Exchange will be subject, upon listing by the Backup Exchange, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in the rules of the Backup Exchange).

The Amex is the Backup Exchange

Proposed Rule 62(b)(i) provides that the Amex may enter into arrangements with one or more other Disabled Exchanges to allow the Disabled Exchange and its members to use a portion of the Amex's facilities to conduct the trading of some or all of the Disabled Exchange's Exclusively Listed Options in the event of a Disabling Event.

Proposed paragraph (B) provides that the trading of the Disabled Exchange's Exclusively Listed Options on the Disabled Exchange's facility at the Amex shall be conducted in accordance with Amex rules. The members of the Disabled Exchange that are trading on the Disabled Exchange's facility at the Amex (not including Amex members who become temporary members of the Disabled Exchange) will be subject to the rules of the Disabled Exchange governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange. In addition, the Disabled Exchange and the Amex may agree that other Disabled Exchange rules will apply to such trading. The Disabled Exchange and the Amex have agreed to communicate to their respective members which rules apply in advance of trading.

Proposed paragraph (C) provides that the Amex will perform the related regulatory functions with respect to trading of the Disabled Exchange's Exclusively Listed Options on the Disabled Exchange's facility at the Amex, in each case except as the Disabled Exchange and the Amex may specifically agree otherwise. The Amex and the Disabled Exchange have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of the Disabled Exchange's Exclusively

Listed Options on the Disabled Exchange's facility at the Amex. The Disabled Exchange has agreed that it shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to the Disabled Exchange's facility at the Amex.

Proposed paragraph (D) provides the Amex members shall not be authorized to trade in any Exclusively Listed Options of the Disabled Exchange, except that: (1) the Disabled Exchange may deputize willing Amex floor brokers as temporary members of the Disabled Exchange to permit them to execute orders as brokers in Exclusively Listed Options of the Disabled Exchange traded on the facility of the Disabled Exchange at the Amex; and (2) at the instruction of the Disabled Exchange, the Amex shall select Amex members that are willing to be deputized by the Disabled Exchange as temporary members of the Disabled Exchange authorized to trade the Disabled Exchange's Exclusively Listed Options on the facility of the Disabled Exchange at the Amex for such period of time following a Disabling Event as the Disabled Exchange determines to be appropriate, and the Disabled Exchange may deputize such Amex members as temporary members of the Disabled Exchange for that purpose.

Proposed paragraph (b)(ii) provides that the Amex may enter into arrangements with a Disabled Exchange under which the Amex will agree, in the event of a Disabling Event, to list for trading options that are then singly listed only by the Disabled Exchange and not by the Amex. Singly Listed Options listed by the Amex shall trade on the Amex and in accordance with Amex rules. Such options shall be traded by Amex members and by members of the Disabled Exchange selected by the Disabled Exchange to the extent the Amex can accommodate members of the Disabled Exchange in the capacity of temporary members of Amex. Any member of a Disabled Exchange

granted temporary access to conduct business on the Amex under this paragraph shall only be permitted to act in those Amex capacities that are authorized by the Amex, and that are comparable to capacities in which the temporary member has been authorized to act on the Disabled Exchange and to trade in those options in which the temporary member is authorized to trade on the Disabled Exchange.

Classes of options listed by the Amex that does not satisfy Amex listing and maintenance criteria will be subject, upon listing by the Amex, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in Amex rules.)

Temporary Members of the Disabled Exchange and the Backup Exchange

Paragraph (c) of proposed Rule 62 governs the member obligations of both the temporary members of the Disabled Exchange and the temporary members of the Backup Exchange. Proposed paragraph (A) provides that an Amex member acting as a temporary member of the Disabled Exchange shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Disabled Exchange at the Amex to the extent applicable during the period of such trading. Such Amex member shall have none of the rights of a member of the Disabled Exchange except the right to conduct business on the facility of the Disabled Exchange at the Amex as described in the Exchange's proposal herein. Additionally, the member organization associated with such Amex member, if any, shall be responsible for all obligations arising out of that Amex member's activities on or relating to the Disabled Exchange. Finally, the proposed rule provides that the clearing member of such Amex member shall guarantee and clear the transactions of such Amex member on the Disabled Exchange.

Similarly, the Exchange's proposal provides that a member of the Backup Exchange acting in the capacity of a temporary member of the Amex pursuant to proposed paragraph (a)(i)(F) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Amex at the Backup Exchange, including Amex rules to the extent applicable during the period of such trading. The proposed rule further provides that temporary members shall have none of the rights of an Amex member except the right to conduct business on the facility of Amex at the Backup Exchange as described herein. In addition, the member organization associated with such temporary member, if any, shall be responsible for all obligations arising out of that temporary member's activities on or relating to the Amex and the clearing member of such temporary member shall guarantee and clear the transactions on the Amex of such temporary member.

Proposed paragraph (c)(ii)(A) provides that an Amex member acting in the capacity of a temporary member of the Backup Exchange pursuant to paragraph (a)(ii)(B) shall be subject to, and obligated to comply with, the rules of the Backup Exchange that are applicable to the Backup Exchange's own members. Such Amex member shall have none of the rights of a member of the Backup Exchange except the right to conduct business on the Backup Exchange to the extent described in the proposed Rule. The member organization associated with such Amex member, if any, shall be responsible for all obligations arising out of that Amex member's activities on or relating to the Backup Exchange. Furthermore, the clearing member of such Amex member shall guarantee and clear the transactions of such Amex member on the Backup

Exchange. Finally, such Amex member shall only be permitted to act in those capacities on the Backup Exchange that are authorized by the Backup Exchange and that are comparable to capacities in which the Amex member has been authorized to act on the Amex, and to trade in those options in which the Amex member is authorized to trade on the Amex.

A member of Disabled Exchange acting in the capacity of a temporary member of the Amex pursuant to paragraph (b)(ii)(A) shall be subject to, and obligated to comply with, Amex rules that are applicable to Amex's own members. Such temporary member shall have none of the rights of an Amex member except the right to conduct business on the Amex to the extent described in the proposed Rule. The member organization associated with such temporary member, if any, shall be responsible for all obligations arising out of that temporary member's activities on or relating to the Amex. The clearing member of such temporary member shall guarantee and clear the transactions of such temporary member on the Amex and such temporary member shall only be permitted to act in those Amex capacities that are authorized by the Amex and that are comparable to capacities in which the temporary member has been authorized to act on the Disabled Exchange, and to trade in those option classes in which the temporary member is authorized to trade on the Disabled Exchange.

Member Proceedings

Proposed paragraph (d) governs member proceedings that may take place regarding trading during a backup period. Proposed paragraph (d)(i) provides that if the Amex initiates an enforcement proceeding with respect to the trading during a backup period of the Singly Listed Options of the Disabled Exchange by a temporary member of the Amex or the Exclusively Listed Options of the Disabled Exchange by a member of the Disabled Exchange

(other than an Amex member who is a temporary member of the Disabled Exchange), and such proceeding is in process upon the conclusion of the backup period, the Amex may transfer responsibility for such proceeding to the Disabled Exchange following the conclusion of the backup period. Moreover, arbitration of any disputes with respect to any trading during a backup period of Singly Listed Options of the Disabled Exchange or of Exclusively Listed Options of the Disabled Exchange on the Disabled Exchange's facility at the Amex will be conducted in accordance with Amex rules, unless the parties to an arbitration agree that it shall be conducted in accordance with the rules of the Disabled Exchange.

Proposed Rule 62(d)(ii) provides that if the Backup Exchange initiates an enforcement proceeding with respect to the trading during a backup period of Amex Singly Listed Options by a temporary member of the Backup Exchange or Amex Exclusively Listed Options by an Amex member (other than a member of the Backup Exchange who is a temporary member of the Amex), and such proceeding is in process upon the conclusion of the backup period, the Backup Exchange may transfer responsibility for such proceeding to the Amex following the conclusion of the backup period. Furthermore, arbitration of any disputes with respect to any trading during a backup period of Amex Singly Listed Options on the Backup Exchange or of Amex Exclusively Listed Options on the facility of the Amex at the Backup Exchange will be conducted in accordance with the rules of the Backup Exchange, unless the parties to an arbitration agree that it shall be conducted in accordance with Amex rules.

Finally, the proposed rule provides that Amex members are required to take appropriate actions as instructed by the Exchange to accommodate the Amex's backup trading arrangements.

(2) Statutory Basis

The proposed rule change is consistent with Section 6(b)¹ of the Act in general and furthers the objectives of Section 6(b)(5)² in particular in that it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, 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 immediately effective pursuant to Section 19(b)(3)(A)³ of the Act and Rule 19b-4(f)(6)⁴ 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

¹ 15 U.S.C. 78f(b).

² 15 U.S.C. 78f(b)(5).

³ 15 U.S.C. Section 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

may designate if consistent with the protection of investors and the public interest; provided that the Exchange has given the Commission notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

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. The Phlx received Commission approval of a substantially similar rule change.⁵ Accordingly, the Exchange believes that this rule change qualifies for expedited approval as a “non-controversial” rule change pursuant to Rule 19b-4(f)(6) because the proposal raises no new regulatory issues, and is concerned solely with a matter that is not likely to engender adverse comments or require the degree of review attendant with more controversial filings. Waiver of this period will allow the Exchange to immediately implement this proposal.

The Commission believes that it is consistent with the protection of investors and the public interest for the proposed rule change to become operative immediately. 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.

⁵ See Exchange Act Release No. 51926 (June 27, 2005), 70 FR 38235 (July 1, 2005)(SR-PHLX-2004-65).

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-2007-51 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-2007-51. 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. 2007-51 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:

Jonathan G. Katz
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 American Stock Exchange Rules be amended as set forth below. Additions are underlined and deletions are [bracketed].

* * * * *

Rule 62. Backup Trading Arrangements

(a) Amex is Disabled Exchange.

(i) Exchange ("Amex") Exclusively Listed Options.

(A) For purposes of this Rule 62, the term "exclusively listed option" means an option that is listed exclusively by an exchange (because such exchange has an exclusive license to use, or has proprietary rights in, the interest underlying the option).

(B) The Amex may enter into arrangements with one or more other exchanges (each a "Backup Exchange") to permit the Amex and its members and associated persons and other personnel to use a portion of the Backup Exchange's facilities to conduct the trading of some or all of the Amex's exclusively listed options in the event that the functions of the Amex are, or are threatened to be, severely and adversely affected by an emergency or extraordinary circumstances (a "Disabling Event"). Such options shall trade as listings of the Amex. The facility of the Backup Exchange used by the Amex for this purpose will be deemed to be a facility of the Amex.

(C) Trading of Amex exclusively listed options shall be conducted in accordance with the rules of the Backup Exchange, except that such trading shall be subject to Amex rules with respect to doing business with the public, margin requirements, net capital requirements, listing requirements, and position limits. In addition, the Amex and the Backup Exchange may agree that other rules of the Amex will apply to such trading. The Amex and the Back-up Exchange have agreed to communicate to their respective members which rules apply in advance of trading. The Backup Exchange rules that govern trading on the Amex's facility at the Back-up Exchange shall be deemed to be Amex rules for purposes of such trading.

(D) The Back-up Exchange has agreed to perform the related regulatory functions with respect to trading of Amex exclusively listed options on the Amex's facility at the Back-up Exchange, in each case except as the Amex and the Back-up Exchange may specifically agree otherwise. The Back-up Exchange and Amex have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of Amex exclusively listed options on the Amex's facility at the Back-up Exchange. The Amex

shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to Amex's facility at the Back-up Exchange.

(E) If the Backup Exchange is unable to accommodate all Amex members that desire to trade on the Amex's facility at the Backup Exchange pursuant to paragraph (a)(i)(A), the Amex may determine which members shall be eligible to trade at that facility. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the member is a specialist in the applicable product(s), the number of contracts traded by the member or member organization in the applicable product(s), market performance, and other factors relating to a member's contribution to the market in the applicable product(s) during a specific period.

(F) Members of the Backup Exchange shall not be authorized to trade in any Amex exclusively listed options, except that (i) the Amex may deputize willing floor brokers of the Back-up Exchange as temporary Amex members to permit them to execute orders as brokers in Amex exclusively options traded on the Amex's facility at the Back-up Exchange; and (ii) the Back-up Exchange has agreed that it will, at the instruction of Amex, select members of the Back-up Exchange that are willing to be deputized by the Amex as temporary Amex members authorized to trade Amex exclusively listed options on the Amex's facility at the Back-up Exchange for such period of time following a Disabling Event as the Amex determines to be appropriate, and the Amex may deputize such members of the Back-up Exchange as temporary Amex members for that purpose.

(ii) Amex Singly Listed Options.

(A) For purposes of this Rule 62, the term "singly listed option" means an option that is not an "exclusively listed option" but that is listed by an exchange and not by any other national securities exchange.

(B) The Exchange may enter into arrangements with a Backup Exchange under which the Backup Exchange will agree, in the event of a Disabling Event, to list for trading singly listed options that are then singly listed only by the Amex and not by the Backup Exchange. Any such options listed by the Backup Exchange shall trade on the Backup Exchange and in accordance with the rules of the Backup Exchange. Such options shall be traded by members of the Backup Exchange and by Amex members selected by the Amex to the extent the Backup Exchange can accommodate Amex members in the capacity of temporary members of the Backup Exchange. If the Back-up Exchange is unable to accommodate all the Amex members that desire to trade at the Back-up Exchange pursuant to paragraph (a)(i)(A), the Amex may determine which members shall be eligible to trade at the Back-up Exchange. Factors to be considered in making such determinations may include, but are not limited to, any one or more of the following: whether the member is a specialist in the applicable product(s), the number of contracts traded by the member or specialist unit in the applicable product(s), market performance, and other factors relating to a member's contribution to the market in the applicable product(s).

Any Amex member who is granted temporary access to the Backup Exchange pursuant to this paragraph shall only be permitted (i) to act in those Backup Exchange capacities that are authorized by the Backup Exchange and that are comparable to capacities in which

the temporary member has been authorized to act on the Amex and (ii) to trade in those options in which the temporary member is authorized to trade on the Amex.

(C) Any options listed by the Backup Exchange pursuant to paragraph (a)(ii)(B) that does not satisfy the standard listing and maintenance criteria of the Backup Exchange will be subject, upon listing by the Backup Exchange, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in the rules of the Backup Exchange).

(b) Amex is Backup Exchange.

(i) Disabled Exchange Exclusively Listed Options.

(A) The Exchange may enter into arrangements with one or more other exchanges (each a "Disabled Exchange") to permit the Disabled Exchange and its members to use a portion of the Amex 's facilities to conduct the trading of some or all of the Disabled Exchange's Exclusively Listed Securities in the event of a Disabling Event. The facility of the Amex used by the Disabled Exchange for this purpose will be deemed to be a facility of the Disabled Exchange.

(B) Trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at the Amex shall be conducted in accordance with Amex rules, except that (1) such trading shall be subject to the Disabled Exchange's rules with respect to doing business with the public, margin requirements, net capital requirements, listing requirements, and position limits, and (2) members of the Disabled Exchange that are trading on the Disabled Exchange's facility at Amex (not including Amex members who become temporary members of the Disabled Exchange pursuant to paragraph (b)(i)(D)) will be subject to the rules of the Disabled Exchange governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange. In addition, the Disabled Exchange and the Amex may agree that other Disabled Exchange rules will apply to such trading. The Disabled Exchange and the Amex have agreed to communicate to their respective members which rules apply in advance of trading.

(C) The Amex will perform the related regulatory functions with respect to trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at the Amex, in each case except as the Disabled Exchange and Amex may specifically agree otherwise. The Amex and the Disabled Exchange have agreed to coordinate with each other regarding surveillance and enforcement respecting trading of the Disabled Exchange's exclusively listed options on the Disabled Exchange's facility at the Amex. The Disabled Exchange has agreed that it shall retain the ultimate legal responsibility for the performance of its self-regulatory obligations with respect to the Disabled Exchange's facility at the Amex.

(D) Amex members shall not be authorized to trade in any exclusively listed options of the Disabled Exchange, except that: (1) the Disabled Exchange may deputize willing Amex floor brokers as temporary members of the Disabled Exchange to permit them to execute orders as brokers in exclusively listed options of the Disabled Exchange traded on the facility of the Disabled Exchange at the Amex; and (2) at the instruction of the Disabled Exchange, the Amex shall select Amex members that are willing to be deputized by the Disabled Exchange as temporary members of the Disabled Exchange

authorized to trade the Disabled Exchange's exclusively listed options on the facility of the Disabled Exchange at the Amex for such period of time following a Disabling Event as the Disabled Exchange determines to be appropriate, and the Disabled Exchange may deputize such Amex members as temporary members of the Disabled Exchange for that purpose.

(ii) Disabled Exchange Singly Listed Options.

(A) The Amex may enter into arrangements with a Disabled Exchange under which the Amex will agree, in the event of a Disabling Event, to list for trading options that are then singly listed only by the Disabled Exchange and not by the Amex. Any such options listed by the Amex shall trade on the Amex and in accordance with Amex rules. Such options shall be traded by Amex members and by members of the Disabled Exchange selected by the Disabled Exchange to the extent the Amex can accommodate members of the Disabled Exchange in the capacity of temporary members of the Amex. Any member of a Disabled Exchange granted temporary access to conduct business on the Amex under this paragraph shall only be permitted (i) to act in those Amex capacities that are authorized by the Amex and that are comparable to capacities in which the temporary member has been authorized to act on the Disabled Exchange and (ii) to trade in those options in which the temporary member is authorized to trade on the Disabled Exchange. The Amex may allocate such options to an Amex specialist in advance of a Disabling Event, without utilizing the allocation process under Amex Rule 27, to enable the Amex to quickly list such options upon the occurrence of a Disabling Event.

(B) Any class of options listed by the Amex pursuant to paragraph (b)(ii)(A) that does not satisfy the listing and maintenance criteria under Amex Rules 915 and 916 will be subject, upon listing by the Amex, to delisting (and, thus, restrictions on opening new series, and engaging in opening transactions in those series with open interest, as may be provided in Amex rules).

(c) Member Obligations.

(i) Temporary Members of a Disabled Exchange

(A) An Amex member acting as a temporary member of the Disabled Exchange pursuant to paragraph (b)(i)(D) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Disabled Exchange at the Amex to the extent applicable during the period of such trading. Additionally, (1) such Amex member shall be deemed to have satisfied, and the Disabled Exchange has agreed to waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Disabled Exchange, including all dues, fees and charges imposed generally upon members of the Disabled Exchange based on their status as such; (2) such Amex member shall have none of the rights of a member of the Disabled Exchange except the right to conduct business on the facility of the Disabled Exchange at Amex to the extent described in this Rule; (3) the member organization associated with such Amex member, if any, shall be responsible for all obligations arising out of that Amex member's activities on or relating to the Disabled Exchange; and (4) the clearing member of such Amex member shall guarantee and clear the transactions of such Amex member on the Disabled Exchange.

(B) A member of a Back-up Exchange acting in the capacity of a temporary member of the Amex pursuant to paragraph (a)(i)(F) shall be subject to, and obligated to comply with, the rules that govern the operation of the facility of the Amex at the Back-up Exchange, including Amex rules to the extent applicable during the period of such trading. Additionally, (1) such temporary member shall be deemed to have satisfied, and the Amex will waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Amex , including all dues, fees and charges imposed generally upon Amex members based on their status as such; (2) such temporary member shall have none of the rights of a Amex member except the right to conduct business on the facility of the Amex at the Back-up Exchange to the extent described in this Rule; (3) the member organization associated with such temporary member, if any, shall be responsible for all obligations arising out of that temporary member's activities on or relating to the Amex; and (4) the clearing member of such temporary member shall guarantee and clear the transactions on Amex of such temporary member.

(ii) Temporary Members of the Backup Exchange

(A) An Amex member acting in the capacity of a temporary member of the Back-up Exchange pursuant to paragraph (a)(ii)(B) shall be subject to, and obligated to comply with, the rules of the Back-up Exchange that are applicable to the Backup Exchange's own members. Additionally, (1) such Amex member shall be deemed to have satisfied, and the Back-up Exchange has agreed to waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Back-up Exchange, including all dues, fees and charges imposed generally upon members of the Back-up Exchange based on their status as such, (2) such Amex member shall have none of the rights of a member of the Back- up Exchange except the right to conduct business on the Back-up Exchange to the extent described in this Rule; (3) the member organization associated with such Amex member, if any, shall be responsible for all obligations arising out of that Amex member's activities on or relating to the Backup Exchange; (4) the clearing member of such Amex member shall guarantee and clear the transactions of such Amex member on the Back-up Exchange; and (5) such Amex member shall only be permitted (x) to act in those capacities on the Back-up Exchange that are authorized by the Back-up Exchange and that are comparable to capacities in which the Amex member has been authorized to act on Amex , and (y) to trade in those options in which the Amex member is authorized to trade on the Amex .

(B) A member of a Disabled Exchange acting in the capacity of a temporary member of the Amex pursuant to paragraph (b)(ii)(A) shall be subject to, and obligated to comply with Amex rules that are applicable to Amex 's own members. Additionally, (1) such temporary member shall be deemed to have satisfied, and Amex will waive specific compliance with, rules governing or applying to the maintenance of a person's or a firm's status as a member of the Amex , including all dues, fees and charges imposed generally upon Amex members based on their status as such; (2) such temporary member shall have none of the rights of an Amex member except the right to conduct business on the Amex to the extent described in this Rule; (3) the member organization associated with

such temporary member, if any, shall be responsible for all obligations arising out of that temporary member's activities on or relating to Amex ; (4) the clearing member of such temporary member shall guarantee and clear the transactions of such temporary member on the Amex ; and (5) such temporary member shall only be permitted (x) to act in those Amex capacities that are authorized by the Amex and that are comparable to capacities in which the temporary member has been authorized to act on the Disabled Exchange, and (y) to trade in those option classes in which the temporary member is authorized to trade on the Disabled Exchange.

(d) Member Proceedings.

(i) If the Amex initiates an enforcement proceeding with respect to the trading during a back-up period of the singly or multiply listed options of the Disabled Exchange by a temporary member of the Amex or the exclusively listed options of the Disabled Exchange by a member of the Disabled Exchange (other than a Amex member who is a temporary member of the Disabled Exchange), and such proceeding is in process upon the conclusion of the backup period, the Amex may transfer responsibility for such proceeding to the Disabled Exchange following the conclusion of the backup period. Arbitration of any disputes with respect to any trading during a backup period of singly or multiply listed options of the Disabled Exchange or of exclusively listed options of the Disabled Exchange on the Disabled Exchange's facility at the Amex will be conducted in accordance with Amex rules, unless the parties to an arbitration agree that it shall be conducted in accordance with the rules of the Disabled Exchange.

(ii) If the Backup Exchange initiates an enforcement proceeding with respect to the trading during a backup period of Amex singly or multiply listed options by a temporary member of the Backup Exchange or Amex exclusively listed options by an Amex member (other than a member of the Backup Exchange who is a temporary member of the Amex), and such proceeding is in process upon the conclusion of the backup period, the Backup Exchange may transfer responsibility for such proceeding to the Amex following the conclusion of the backup period. Arbitration of any disputes with respect to any trading during a backup period of Amex singly or multiply listed options on the Backup Exchange or of the Amex exclusively listed options on the facility of the Amex at the Backup Exchange will be conducted in accordance with the rules of the Backup Exchange, unless the parties to an arbitration agree that it shall be conducted in accordance with the Amex rules.

(e) Member Preparations.

Amex members are required to take appropriate actions as instructed by the Exchange to accommodate the Amex's backup trading arrangements.