



SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information**

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

**Exhibit 1 - Notice of Proposed Rule Change**

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

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

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Exhibit Sent As Paper Document

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

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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

**Partial Amendment**

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

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

(a) The American Stock Exchange LLC (“Amex” or “Exchange”) proposes to adopt a specific zone (each a “Zone” or collectively, the “Zones”) requirement for floor brokers in equities and ETFs on the trading floor. The text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

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

The proposed rule change was approved by the Exchange's Board of Governors on April 20, 2005. No further action by the Board or by the membership of the Exchange is required to be taken.

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

(a) *Purpose*

The Exchange proposes to amend the AEMI Rules<sup>1</sup> to require a floor broker to be located within the same Zone (as defined below) when submitting a Crowd Order in that Zone.<sup>2</sup> A floor broker may trade in any crowd on the floor of the Exchange, but must be physically present in the crowd to represent a Crowd Order in the AEMI Book.<sup>3</sup> Furthermore, upon leaving a crowd or logging out of his system, a floor broker must either (i) cancel all crowd orders in the AEMI Book for securities in the crowd he is

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<sup>1</sup> See Securities Exchange Act Release No. 54552 (September 29, 2006), 71 FR 59546 (October 10, 2006)(order approving SR-Amex 2005-105); See also Securities Exchange Act Release 54709 (November 3, 2006), 71 FR 65847 (November 9, 2006)(order approving SR-Amex 2006-72).

<sup>2</sup> A Crowd Order is defined in Rule 1A- AEMI as a order in the AEMI Book that is represented by (1) a broker standing in the crowd or (2) a bid or offer in the AEMI Book entered by a Registered Trader standing in the crowd.

<sup>3</sup> The "AEMI Book" is the part of the AEMI platform that holds and automatically matches orders, bids and offers submitted to it electronically by specialists, Registered Traders, Floor Brokers and off-Floor members in accordance with these rules.

leaving, (ii) electronically submit the orders in the form of percentage or limit order to the Specialist for handling, or (iii) electronically route the crowd order to another floor broker in the crowd, via his hand held terminal.<sup>4</sup>

The Exchange proposes, in Rule 1A-AEMI, to establish three trading Zones to reflect the specific identifiable areas on the trading floor where floor brokers are able to conduct business at each post/panel within the Zone. A floor broker will be considered to be in the Zone if he or she is physically present in the area set forth as part of that Zone. The Exchange believes that designating specific Zones on the trading floor will serve to distinguish the areas that benefit the interaction among the members on the trading floor. The Exchange proposes to require that a floor broker submitting a Crowd Order must be within the same Zone as where he is submitting the Crowd Order.

As noted above, a floor broker, upon leaving a crowd or logging out of his system, must either (i) cancel all crowd orders in the AEMI Book for securities in the crowd he is leaving, (ii) electronically submit the orders in the form of percentage or limit order to the Specialist for handling, or (iii) electronically route the crowd order to another floor broker in the crowd, via his hand held terminal.<sup>5</sup> The Exchange however, proposes two exceptions to the Zone requirement. First, a floor broker may leave a Zone to obtain "market looks" in securities located at panels that are part of another Zone.<sup>6</sup> Second, a floor broker may leave the Zone for the time necessary to change their hand held batteries without having to cancel all Crowd Orders, electronically submit orders to the Specialist for handling or electronically route the Crowd Order to another floor broker in the Zone.

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<sup>4</sup> See supra note 1.

<sup>5</sup> See proposed Rule 123-AEMI(g)

<sup>6</sup> "Market looks" are quick snapshots of trading interest that brokers convey back to their customers.

AEMI securities are traded on the Main Trading Floor, the Mezzanine and the ground floor of the Exchange, which is called Harry's. In this regard, the Exchange proposes to designate Zones in only those three (3) areas of the Trading Floor. The Main Trading Floor shall be designated as Zone A, the Mezzanine as Zone B, and Harry's as Zone C.

The Exchange intends to disseminate to its members an information circular identifying the specific areas comprising each Zone.

(b) *Basis*

The proposed rule change is consistent with Section 6(b)<sup>7</sup> of the Act in general and furthers the objectives of Section 6(b)(5)<sup>8</sup> 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.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

**5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others**

No written comments were solicited or received with respect to the proposed rule change.

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

**6. Extension of Time Period for Commission Action**

The Exchange does not consent to an extension of the time period for Commission consideration of the proposed rule change specified in Section 19(b)(2) of the Act.<sup>9</sup>

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

(a) The filing is being made pursuant to paragraph (A) of Section 19(b)(3).

(b) The Exchange believes that accelerated effectiveness of this proposed rule change is consistent with the protection of investors and the public interest. The Exchange believes that this rule change qualifies for expedited approval as a “non-controversial” rule change under Commission 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. A draft of the proposal was submitted to the Commission on April 19, 2007 in fulfillment of the 5-day pre-filing notice requirement of Rule 19b-4(f)(6). The Exchange requests a waiver of the thirty (30) day waiting period prior to effectiveness such that the filing is effective on May 25, 2007.

(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 NYSE Rule 70.20 and 70.30.<sup>10</sup>

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<sup>9</sup> 15 U.S.C. 78f(b)(2).

<sup>10</sup> See Exchange Act Release Nos. 54427 (September 12, 2006), 71 FR 54862 (September 19, 2006)(order approving SR-NYSE 2006-58); 55316 (February 20, 2007), 72 FR 8825 (February 27, 2007).

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-2007-52)

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating to Floor Broker Zone Requirements in AEMI**

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 adopt a specific zone (each a "Zone" or collectively, the "Zones") requirement for floor brokers in equities and ETFs on the trading floor.

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

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these

statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

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

(1) Purpose

The Exchange proposes to amend the AEMI Rules<sup>1</sup> to require a floor broker to be located within the same Zone (as defined below) when submitting a Crowd Order in that Zone.<sup>2</sup> A floor broker may trade in any crowd on the floor of the Exchange, but must be physically present in the crowd to represent a Crowd Order in the AEMI Book.<sup>3</sup> Furthermore, upon leaving a crowd or logging out of his system, a floor broker must either (i) cancel all crowd orders in the AEMI Book for securities in the crowd he is leaving, (ii) electronically submit the orders in the form of percentage or limit order to the Specialist for handling, or (iii) electronically route the crowd order to another floor broker in the crowd, via his hand held terminal.<sup>4</sup>

The Exchange proposes, in Rule 1A-AEMI, to establish three trading Zones to reflect the specific identifiable areas on the trading floor where floor brokers are able to conduct business at each post/panel within the Zone. A floor broker will be considered to be in the Zone if he or she is physically present in the area set forth as part of that Zone. The Exchange believes that designating specific Zones on the

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<sup>1</sup> See Securities Exchange Act Release No. 54552 (September 29, 2006), 71 FR 59546 (October 10, 2006)(order approving SR-Amex 2005-105); See also Securities Exchange Act Release 54709 (November 3, 2006), 71 FR 65847 (November 9, 2006)(order approving SR-Amex 2006-72).

<sup>2</sup> A Crowd Order is defined in Rule 1A- AEMI as a order in the AEMI Book that is represented by (1) a broker standing in the crowd or (2) a bid or offer in the AEMI Book entered by a Registered Trader standing in the crowd.

<sup>3</sup> The "AEMI Book" is the part of the AEMI platform that holds and automatically matches orders, bids and offers submitted to it electronically by specialists, Registered Traders, Floor Brokers and off-Floor members in accordance with these rules.

<sup>4</sup> See supra note 1.

trading floor will serve to distinguish the areas that benefit the interaction among the members on the trading floor. The Exchange proposes to require that a floor broker submitting a Crowd Order must be within the same Zone as where he is submitting the Crowd Order.

As noted above, a floor broker, upon leaving a crowd or logging out of his system, must either (i) cancel all crowd orders in the AEMI Book for securities in the crowd he is leaving, (ii) electronically submit the orders in the form of percentage or limit order to the Specialist for handling, or (iii) electronically route the crowd order to another floor broker in the crowd, via his hand held terminal.<sup>5</sup> The Exchange however, proposes two exceptions to the Zone requirement. First, a floor broker may leave a Zone to obtain "market looks" in securities located at panels that are part of another Zone.<sup>6</sup> Second, a floor broker may leave the Zone for the time necessary to change their hand held batteries without having to cancel all Crowd Orders, electronically submit orders to the Specialist for handling or electronically route the Crowd Order to another floor broker in the Zone.

AEMI securities are traded on the Main Trading Floor, the Mezzanine and the ground floor of the Exchange, which is called Harry's. In this regard, the Exchange proposes to designate Zones in only those three (3) areas of the Trading Floor. The Main Trading Floor shall be designated as Zone A, the Mezzanine as Zone B, and Harry's as Zone C.

The Exchange intends to disseminate to its members an information circular identifying the specific areas comprising each Zone.

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<sup>5</sup> See proposed Rule 123-AEMI(g)

<sup>6</sup> "Market looks" are quick snapshots of trading interest that brokers convey back to their customers.

(2) Statutory Basis

The proposed rule change is consistent with Section 6(b)<sup>7</sup> of the Act in general and furthers the objectives of Section 6(b)(5)<sup>8</sup> 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 does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>9</sup> of the Securities Exchange Act of 1934 and Rule 19b-4(f)(6)<sup>10</sup> 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

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 15 U.S.C. Section 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

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. Furthermore, the proposed rule change is based on a proposal by the NYSE recently approved by the Commission.<sup>11</sup>

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. A draft of the proposal was submitted to the Commission on April 19, 2007 in fulfillment of the 5-day pre-filing notice requirement of Rule 19b-4(f)(6). The Exchange requests a waiver of the thirty (30) day waiting period prior to effectiveness such that the filing is effective on May 25, 2007.

#### 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](mailto:rulecomments@sec.gov). Please include File No. SR-Amex-2007-52 on the subject line.

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<sup>11</sup> See Exchange Act Release Nos. 54427 (September 12, 2006), 71 FR 54862 (September 19, 2006)(order approving SR-NYSE 2006-58); 55316 (February 20, 2007), 72 FR 8825 (February 27, 2007).

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-2007-52. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s Internet Web site at <http://www.sec.gov/rules/sro.shtml>. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission’s Public Reference Room, 100 F Street, NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-Amex-2007-52 and should be submitted on or before [insert date 21 days from publication in the *Federal Register*].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Dated:

Nancy M. Morris  
Secretary

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<sup>12</sup> 17 CFR 200.30–3(a)(12).

AMERICAN STOCK EXCHANGE LLC  
Proposed Rule Change

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

\* \* \* \*

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

(a) – (f) No Change.

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

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

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

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

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

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

**Crowd Order.** A "Crowd Order" is (1) an order in the AEMI Book that is represented by a broker standing in [the crowd] the Zone where the order is represented or (2) a bid or offer in the AEMI Book entered by a Registered Trader standing in the crowd.

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

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

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

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

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

**NMS Security.** An "NMS security" is any security or class of securities for which transaction reports are collected, processed, and made available pursuant to an effective transaction reporting plan, or an effective national market system plan for reporting transactions in listed options.

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

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

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

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

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

by Registered Traders on the Floor in derivative products (as defined in Article I, Section 3(d) of the Exchange Constitution) shall be effected in accordance with the provisions of Rule 110-AEMI. Registered Trader transactions in securities traded in AEMI may only be effected in accordance with the provisions of Rule 110-AEMI.

**Specialist Order Book.** The "Specialist Order Book" is the accumulation of orders on the AEMI Book that is not represented by a broker standing in the crowd or other party. It is a subset of the AEMI Book. The Specialist Order Book does not include the bids and offers of Registered Traders in the crowd.

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

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

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

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

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

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

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

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

\* \* \* \*

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

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

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

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

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

(b) – (f) No Change.

(g) The Exchange shall deem Floor members whose orders, bids and offers are incorporated into the APQ as the responsible broker or dealer for such quote pursuant to Rule 602 under Regulation NMS to the extent of such order, bid or offer. A Floor Broker shall be responsible for any Crowd Order that he enters into AEMI even if he leaves the [crowd] Zone without withdrawing the Crowd Order. When leaving a Zone, a Floor Broker must either (i) cancel all Crowd Orders in the AEMI Book for securities in the Zone he is leaving, (ii) electronically submit the orders in the form of percentage or limit order to the Specialist for handling, or (iii) electronically route the Crowd Order to another Floor Broker in the crowd, via his hand held terminal. Failure to [withdraw a Crowd Order] do so when leaving the [crowd] Zone, however, is not consistent with just and equitable principles of trade.

A Floor broker may, however, leave a Zone to (i) obtain "market looks" in securities located at panels that are part of another Zone, or (ii) for the time necessary to change their hand held batteries without having to cancel all Crowd Orders, electronically submit orders to the Specialist for handling, or electronically route the Crowd Order to another Floor Broker in the Zone.

(h) No Change.

•••*Commentary*

No Change.