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

File No. SR - 2007 - 66
Amendment No.

Proposed Rule Change by American Stock Exchange

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

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

Rule

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

Pilot ☐

Extension of Time Period for Commission Action ☐

Date Expires

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

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

Proposal to seek a one year extension of the Quarterly Option Pilot Program

Contact Information

Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name: Nyieri
Last Name: Nazarian
Title: Assistant General Counsel
E-mail: nyieri.nazarian@amex.com
Telephone: (212) 306-1837
Fax: (212) 306-2139

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date: 06/28/2007

By: Jeffrey P. Burns
(Name)

Vice President and Associate General Counsel
(Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Jeffrey P Burns, jeffrey.burns@amex.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

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

(a) The American Stock Exchange LLC (the "Amex" or the "Exchange") seeks a one-year extension of the pilot program allowing the listing and trading of options series that expire at the close of business on the last business day of a calendar quarter (the "Pilot Program").[1]

(b) Not applicable.

(c) Not applicable.

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

The proposed rule change was approved by the Exchange's Executive Committee on June 22, 2006. No further action by the Executive Committee is required to be taken.

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

(a) *Purpose*

The Exchange is proposing to extend the Pilot Program from July 10, 2007, through and including July 10, 2008.

The Pilot Program, first approved by the Commission in July 2006, allows the Amex to accommodate the listing and trading of options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series").[2]

Quarterly Options Series, expiring on the close of business on the last business day of a calendar quarter are beneficial to the Exchange and the marketplace.

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[1] In 1993, the Exchange was granted SEC approval to list and trade broad-based index options that expire at the end of each quarter. (See Securities Exchange Act Release No. 31844 (February 1, 1993) 58 FR 8796 (February 9, 1993). The Exchange listed and traded these options on the Major Market Index (XMI), Institutional Index (XII) and S&P Midcap Index (MID). These quarterly-style options proved to be of limited use to investors and did not trade particularly well, largely as a result of the A.M.-settlement nature of such options.

[2] *See* Securities Exchange Act Release No. 54137 (July 12, 2006), 71FR 41283 (July 20, 2006).

Amex Rules 900(b)(45) and 900C(c)(26) define "Quarterly Options Series" as a series of an options class or an index options class, respectively, that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar quarter. Quarterly Options Series are limited to options classes that are either stock index options or options on exchange traded funds ("ETFs") and can be opened on a business day ("Quarterly Options Opening Date").

Additionally, Commentary .09 to Amex Rule 903 and Amex Rule 903C (a)(iv) set forth the requirements necessary to be fulfilled in order to list such options.

Specifically, the Exchange lists series that expire at the end of the next four consecutive calendar quarters, as well as the fourth quarter of the next calendar year. For example, if the Exchange were trading Quarterly Options Series in the month of May 2007, it would list series that expire at the end of the second, third and fourth quarters of 2007, as well as the first and fourth quarters of 2008. Following the second quarter 2007 expiration, the Exchange would add series that expire at the end of the second quarter of 2008.

Quarterly Options Series listed on currently approved option classes are P.M. settled and, in all other respects, settle in the same manner as do the monthly expiration series in the same option class.

The Pilot Program allows the Exchange to open up to five (5) currently listed option classes that are either index options or options on ETFs. The strike price for each series is fixed at a price per share, with at least two strike prices above and two strike prices below the value of the underlying security at about the time that a Quarterly

Options Series is opened for trading on the Exchange. Strike prices on a Quarterly Options Series are within $5 from the closing price of the underlying on the preceding day. The Pilot Program permits the Exchange to open for trading additional Quarterly Options Series of the same class if the current index value of the underlying index moves substantially from the exercise price of those Quarterly Options Series already opened for trading on the Exchange. The exercise price of each Quarterly Options Series opened for trading on the Exchange is required to be reasonably related to the current index value of the underlying index to which such series relates at or about the time such series of options were first opened for trading on the Exchange. The term "reasonably related to the current index value of the underlying index" means that the exercise price is within thirty percent of the current index value. The Pilot Program further allows for trading additional Quarterly Options Series that are more than thirty percent away from the current index value, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-makers trading for their own account would not be considered when determining customer interest under this provision.

Because monthly options series expire on the third Friday of their expiration month, a Quarterly Options Series, which expire on the last business day of the quarter, could never expire in the same week in which a monthly option series in the same class expires. The same, however, is not the case for Short Term Options Series. Quarterly Options Series and Short Term Options Series on the same option class could potentially expire concurrently under the proposal.[3] Therefore, to avoid any confusion in

[3] The Exchange currently does not have any Short Term Options Series listed for trading.

the marketplace, the Exchange does not list a Short Term Option Series that expires at the end of the day on the same day as a Quarterly Options Series in the same option class expires. In other words, the Exchange would not list a P.M.-settled Short Term Option Series on an ETF or an index that would expire on a Friday that is the last business day of a calendar quarter if a Quarterly Options Series on that ETF or index were scheduled to expire on that day.

However, the Exchange may list an A.M.-settled Short Term Option Series and a P.M.-settled Quarterly Options Series in the same option class that both expire on the same day (i.e. on a Friday that is the last business day of the quarter). The Exchange believes that the concurrent listing of an A.M.-settled Short Term Options Series and a P.M.-settled Quarterly Options Series on the same underlying ETF or index that expire on the same day does not cause the same confusion as would P.M.-settled short term and quarterly series in the same option class, and provides investors with an additional hedging mechanism.

Finally, the interval between strike prices on Quarterly Options Series is the same as the interval for strike prices for series in the same option class that expires in accordance with the normal monthly expiration cycles.

The Exchange believes that Quarterly Options Series provides investors with a flexible and valuable tool to manage risk exposure, minimize capital outlays, and be more responsive to the timing of events affecting the securities that underlie options contracts. At the same time, the Exchange is cognizant of the need to be cautious in listing and trading a product that can increase the number of outstanding strike prices. In this regard, the Exchange will continue to employ the Pilot Program for Quarterly Options Series.

The Exchange also seeks to incorporate certain changes to its rules regarding Quarterly Options Series as recently filed by the other options Exchanges and approved by the Commission.[4] In this regard, the Exchange proposes to amend Rule 903C governing series of Stock Index Options, to provide that the strike price of each Quarterly Options Series will be fixed at a price per share, with at least two, but not more than five, strike prices above, and two, but not more than five, strike prices below the value of the underlying security at the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange further proposes to eliminate the restriction it may only list strike prices for a Quarterly Options Series that are within $5 from the closing price of the underlying on the preceding day.

The Exchange also proposes to include language in Rule 903C allowing the Exchange to open additional strike prices of a Quarterly Options Series that are above (below) the value of the underlying index, provided that the total number of strike prices above (below) the value of the underlying index, including the additional strike prices, is no greater than five. The opening of any new Quarterly Options Series shall not affect the series of options of the same class previously opened.

The report (the "Report") attached as Exhibit 3 provides data regarding the Pilot Program as required in the original approval of the Pilot Program. Under the terms of the Pilot Program, the Exchange selected (5) option classes on which Quarterly Options Series may be opened on any Quarterly Options Opening Date. Also under the

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[4] *See* Exchange Act Release No. 54762 (November 16, 2006), 71 FR 67663 (November 22, 2006)(SR–CBOE–2006–93)(Order approving proposal); *See also* Exchange Act. Release No. 55301 (February 15, 2007), 72 FR 8238 (February 23, 2007)(SR-PHLX 2007-08)(Notice of filing and immediate effectiveness)

terms of the Pilot Program, the Exchange may list those Quarterly Options Series on any option class that is selected by another securities exchange with a similar Pilot Program under its rules. As noted in the Report, the Exchange has not selected any additional exchange traded fund or Stock Index Options for the Pilot at this time. The Exchange believes that limiting the number of option classes in which Quarterly Options Series may be opened ensures that the addition of the new series through this Pilot Program would have only a negligible impact on the Exchange's and Option Price Reporting Authority's (''OPRA'') quoting capacity. As the data in the Report indicates the Amex volume trends in Quarterly Options as compared to all options in the Pilot securities shows higher utilization rates throughout the year. Specifically, for the last 3 months of the Pilot, from March to May 2007, the five (5) option classes selected by the Amex for Quarterly Options, accounted for 10.4% of total options volume as compared to the first three months which measured 3.8%. Furthermore, a look at open interest reveals that on average Quarterly Options account for 13.4% of total open interest in the Pilot securities. The open interest in Quarterly Options has generally trended higher during the time period evaluated. In January 2007, open interest in Quarterly Options totaled 1,620,610, a figure which grew to 3,574,263 in May. These numbers give further proof of increased investor use of the Quarterly Options. Accordingly, the Exchange believes that an extension of the Pilot Program for one-year through July 10, 2008 is warranted in order to satisfy the institutional demand for such options and provide additional flexibility as well as an additional risk management tool to investors.

The Exchange notes that it possesses the adequate systems capacity to support the trading of Quarterly Options Series.

(b) *Basis*

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act[5]. Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) Act[6] requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest.

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

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

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

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

6. Extension of Time Period for Commission Action

The Exchange does not consent to an extension of the time period for Commission consideration of the proposed rule change specified in Section 19(b)(2) of the Act.[7]

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

[6] 15 U.S.C. 78f(b)(5).

[7] 15 U.S.C. 78s(b)(2).

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 Exchange requests that the Commission waive both the 5-day pre-filing requirement and the 30-day delayed operative date of Rule 19b-4(f)(6) such that the proposed rule change is operative upon filing. 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. The Exchange believes that waiver of this period will allow the Exchange to immediately implement this proposal and will allow the extension the Exchange's Pilot Program without interruption.

(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 the rules of another self-regulatory organization or of the Commission.

9. **Exhibits**

List of Exhibits Filed:

1. Form of Notice of Proposed Rule Change for publication in the Federal Register.
2. Not applicable.
3. Quarterly Options Pilot Program Report.
4. Not applicable.
5. Text of proposed rule change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-Amex-2007-66)

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating to a One-Year Extension of the Pilot Program to List and Trade Quarterly Options Series

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, as amended (the "Act"),[1] notice is hereby given that on ___________, 2007, the American Stock Exchange LLC (the "Amex" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 a one-year extension of the pilot program allowing the listing and trading of options series that expire at the close of business on the last business day of a calendar quarter (the "Pilot Program").

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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it

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1 15 U.S.C. 78s(b)(1).

received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

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

(1) Purpose

The Exchange is proposing to extend the Pilot Program from July 10, 2007, through and including July 10, 2008.

The Pilot Program, first approved by the Commission in July 2006, allows the Amex to accommodate the listing and trading of options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series").[2]

Quarterly Options Series, expiring on the close of business on the last business day of a calendar quarter are beneficial to the Exchange and the marketplace. Amex Rules 900(b)(45) and 900C(c)(26) define "Quarterly Options Series" as a series of an options class or an index options class, respectively, that is approved for listing and trading on the Exchange in which the series is opened for trading on any business day and that expires at the close of business on the last business day of a calendar quarter. Quarterly Options Series are limited to options classes that are either stock index options or options on exchange traded funds ("ETFs") and can be opened on a business day ("Quarterly Options Opening Date").

Additionally, Commentary .09 to Amex Rule 903 and Amex Rule 903C (a)(iv) set forth the requirements necessary to be fulfilled in order to list such options.

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[2] *See* Securities Exchange Act Release No. 54137 (July 12, 2006), 71FR 41283 (July 20, 2006).

Specifically, the Exchange lists series that expire at the end of the next four consecutive calendar quarters, as well as the fourth quarter of the next calendar year. For example, if the Exchange were trading Quarterly Options Series in the month of May 2007, it would list series that expire at the end of the second, third and fourth quarters of 2007, as well as the first and fourth quarters of 2008. Following the second quarter 2007 expiration, the Exchange would add series that expire at the end of the second quarter of 2008.

Quarterly Options Series listed on currently approved option classes are P.M. settled and, in all other respects, settle in the same manner as do the monthly expiration series in the same option class.

The Pilot Program allows the Exchange to open up to five (5) currently listed option classes that are either index options or options on ETFs. The strike price for each series is fixed at a price per share, with at least two strike prices above and two strike prices below the value of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. Strike prices on a Quarterly Options Series are within $5 from the closing price of the underlying on the preceding day. The Pilot Program permits the Exchange to open for trading additional Quarterly Options Series of the same class if the current index value of the underlying index moves substantially from the exercise price of those Quarterly Options Series already opened for trading on the Exchange. The exercise price of each Quarterly Options Series opened for trading on the Exchange is required to be reasonably related to the current index value of the underlying index to which such series relates at or about the time such series of options were first opened for trading on the Exchange. The term “reasonably related to the current index value of the underlying index" means that the exercise price is within thirty percent of the current index value. The Pilot Program further allows for trading additional Quarterly Options Series that are more than thirty percent away from the current index value, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-makers trading for their own account would not be considered when determining customer interest under this provision.

Because monthly options series expire on the third Friday of their expiration month, a Quarterly Options Series, which expire on the last business day of the quarter, could never expire in the same week in which a monthly option series in the same class expires. The same, however, is not the case for Short Term Options Series. Quarterly Options Series and Short Term Options Series on the same option class could potentially expire concurrently under the proposal.[3] Therefore, to avoid any confusion in the marketplace, the Exchange does not list a Short Term Option Series that expires at the end of the day on the same day as a Quarterly Options Series in the same option class expires. In other words, the Exchange would not list a P.M.-settled Short Term Option Series on an ETF or an index that would expire on a Friday that is the last business day of a calendar quarter if a Quarterly Options Series on that ETF or index were scheduled to expire on that day.

However, the Exchange may list an A.M.-settled Short Term Option Series and a P.M.-settled Quarterly Options Series in the same option class that both expire on the same day (i.e. on a Friday that is the last business day of the quarter). The Exchange believes that the concurrent listing of an A.M.-settled Short Term Options

[3] The Exchange currently does not have any Short Term Options Series listed for trading.

Series and a P.M.-settled Quarterly Options Series on the same underlying ETF or index that expire on the same day does not cause the same confusion as would P.M.-settled short term and quarterly series in the same option class, and provides investors with an additional hedging mechanism.

Finally, the interval between strike prices on Quarterly Options Series is the same as the interval for strike prices for series in the same option class that expires in accordance with the normal monthly expiration cycles.

The Exchange believes that Quarterly Options Series provides investors with a flexible and valuable tool to manage risk exposure, minimize capital outlays, and be more responsive to the timing of events affecting the securities that underlie options contracts. At the same time, the Exchange is cognizant of the need to be cautious in listing and trading a product that can increase the number of outstanding strike prices. In this regard, the Exchange will continue to employ the Pilot Program for Quarterly Options Series.

The Exchange also seeks to incorporate certain changes to its rules regarding Quarterly Options Series as recently filed by the other options Exchanges and approved by the Commission.[4] In this regard, the Exchange proposes to amend Rule 903C governing series of Stock Index Options, to provide that the strike price of each Quarterly Options Series will be fixed at a price per share, with at least two, but not more than five, strike prices above, and two, but not more than five, strike prices below the value of the underlying security at the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange further proposes to eliminate the restriction it

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4 *See* Exchange Act Release No. 54762 (November 16, 2006), 71 FR 67663 (November 22, 2006)(SR–CBOE–2006–93)(Order approving proposal); *See also* Exchange Act. Release No. 55301 (February 15, 2007), 72 FR 8238 (February 23, 2007)(SR-PHLX 2007-08)(Notice of filing and immediate effectiveness)

may only list strike prices for a Quarterly Options Series that are within $5 from the closing price of the underlying on the preceding day.

The Exchange also proposes to include language in Rule 903C allowing the Exchange to open additional strike prices of a Quarterly Options Series that are above (below) the value of the underlying index, provided that the total number of strike prices above (below) the value of the underlying index, including the additional strike prices, is no greater than five. The opening of any new Quarterly Options Series shall not affect the series of options of the same class previously opened.

The report (the "Report") attached as Exhibit 3 provides data regarding the Pilot Program as required in the original approval of the Pilot Program. Under the terms of the Pilot Program, the Exchange selected (5) option classes on which Quarterly Options Series may be opened on any Quarterly Options Opening Date. Also under the terms of the Pilot Program, the Exchange may list those Quarterly Options Series on any option class that is selected by another securities exchange with a similar Pilot Program under its rules. As noted in the Report, the Exchange has not selected any additional exchange traded fund or Stock Index Options for the Pilot at this time. The Exchange believes that limiting the number of option classes in which Quarterly Options Series may be opened ensures that the addition of the new series through this Pilot Program would have only a negligible impact on the Exchange's and Option Price Reporting Authority's (''OPRA'') quoting capacity. As the data in the Report indicates, the Amex volume trends in Quarterly Options as compared to all options in the Pilot securities shows higher utilization rates throughout the year. Specifically, for the last 3 months of the Pilot, from March to May 2007, the five (5) option classes selected by the Amex for

Quarterly Options, accounted for 10.4% of total options volume as compared to the first three months which measured 3.8%. Furthermore, a look at open interest reveals that on average Quarterly Options account for 13.4% of total open interest in the Pilot securities. The open interest in Quarterly Options has generally trended higher during the time period evaluated. In January 2007, open interest in Quarterly Options totaled 1,620,610, a figure which grew to 3,574,263 in May. These numbers give further proof of increased investor use of the Quarterly Options. Accordingly, the Exchange believes that an extension of the Pilot Program for one-year through July 10, 2008 is warranted in order to satisfy the institutional demand for such options and provide additional flexibility as well as an additional risk management tool to investors.

The Exchange notes that it possesses the adequate systems capacity to support the trading of Quarterly Options Series.

(2) Statutory Basis

The proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act[5]. Specifically, the proposed rule change is consistent with the Section 6(b)(5) Act[6] requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest.

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[5] 15 U.S.C. 78f(b).
[6] 15 U.S.C. 78f(b)(5).

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

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

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)[7] of the Act and Rule 19b-4(f)(6)[8] thereunder because: (i) it does not significantly affect the protection of investors or the public interest; (ii) it does not impose any significant burden on competition; and (iii) by its terms, it does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the 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 Exchange requested that the Commission waive both the five-day pre-filing requirement and the 30-day delayed operative date of Rule 19b-4(f)(6) such that the proposed rule change is operative upon filing. Accordingly, the Exchange believes that this rule change qualifies for expedited approval as a "non-controversial" rule change

[7] 15 U.S.C. Section 78s(b)(3)(A).
[8] 17 CFR 240.19b-4(f)(6).

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.

The Commission believes that it is consistent with the protection of investors and the public interest for the proposed filing 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.

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 (*http://www.sec.gov/rules/sro.shtml*); or send an e-mail to *rulecomments@sec.gov* . Please include File Number SR–Amex–2007–66 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 Number SR–Amex–2007–66. 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 (*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 Section, 100 F Street, NE., Washington, DC 20549–1090. Copies of such filing also will be available for inspection and copying at the principal office of the Amex. 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 Number SR–Amex– 2007–66 and should be submitted on or before [insert date 21 days from date of publication].

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[9]

Nancy M. Morris
Secretary

Dated:

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[9] 17 CFR 200.30-3(a)(12).

American Stock Exchange
86 Trinity Place
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Report On Quarterly Options

In conjunction with our proposal to extend the Quarterly Options Pilot Program (the "Pilot"), the Exchange has committed to submitting to the SEC a Pilot Program Report (the "Report"). The Report is required to analyze open interest and volume; the appropriateness of the classes selected; the impact of the Pilot on capacity at the Amex, OPRA, and market data vendors. Additionally the Report will discuss any capacity problems that arose at the Amex during the Pilot and how the Amex addressed those problems along with a discussion of any complaints we received during the Pilot and how the Amex addressed them.

The Exchange received approval to participate in the Pilot and began trading Quarterly Options in August of 2006. Currently the Exchange trades Quarterly Options on DIA[1], IWM, SPY, XLE, and QQQQ.

Observations On Volume

An examination of monthly Amex volume trends in Quarterly Options as compared to all options in the Pilot securities shows higher utilization rates as more time goes by. For example, for the entire period on average Quarterly Options account for 7% of total options volume in the Pilot Securities. For the last 3 months of the Pilot, March to May 2007, Quarterly Options volume accounted for 10.4% of total options volume as compared to the first 3 months which measured 3.8%. The trend based on Amex volume is clearly higher with more activity taking place in the Quarterly Options as time passes.

Observations On Open Interest

Compared to Amex volumes, open interest[2] is perhaps a better measure of the overall acceptance by investors of Quarterly Options as it gauges activity across the industry as a whole. A look at open interest reveals that on average Quarterly Options account for 13.4% of total open interest in the Pilot securities. The open interest in Quarterly Options has generally trended higher during the time period evaluated. In January 2007, open interest in Quarterly Options

[1] DIA options first became available for trading on the Exchange in October 2006 and consequently Quarterly Options on DIA began trading at that same time.
[2] Open interest data was available only for January 2007 forward.

totaled 1,620,610, a figure which grew to 3,574,263 in May. These numbers give further proof of increased investor use of the Quarterly Options.

<u>Appropriateness Of Classes Selected</u>

The Exchange has the ability to select up to 5 option classes, provided they are Stock Index Options or exchange traded funds. Additionally, the exchange has the ability to trade any option classes selected by another securities exchange which employs a similar pilot program under their rules. The 5 exchange traded funds which the Exchange is currently trading were all selected by another securities exchange. The Exchange has not selected any additional exchange traded fund or Stock Index Options for inclusion in the Pilot at this time. Based on the aforementioned volume and open interest data, the 5 Pilot securities appear to be suitable for inclusion in the Pilot.

<u>Impact On Amex Systems, Capacity Problems, and Complaints</u>

During the Pilot, the Exchange experienced intermittent system problems which were recovered by falling back to the backups as necessary. These problems could not be attributed to participation in the Pilot. The Exchange has not had any capacity problems nor is it aware of any that market data vendors may have had as a result of the Pilot. The Exchange did not receive any complaints related specifically the Quarterly Options.

<u>Conclusion</u>

The Pilot has seen both volume and open interest grow since inception. This shows increasing investor utilization of this product to manage risk more effectively and as such the Exchange submits that the Pilot should be extended until July 2008.

Volume Comparison

Quarterly Options and Regular Options Volume

		Aug-06				Sep-06				Oct-06	
	All	Quarterly	Percentage		All	Quarterly	Percentage		All	Quarterly	Percentage
DIA	0	0			0	0			12,600	221	1.8%
IWM	469,409	396	0.1%		265,614	24,806	9.3%		373,226	58,180	15.6%
QQQQ	1,824,413	3,294	0.2%		1,581,238	117,357	7.4%		1,735,556	47,446	2.7%
SPY	492,059	443	0.1%		761,144	63,473	8.3%		451,877	7,555	1.7%
XLE	120,211	155	0.1%		203,675	3,016	1.5%		259,410	457	0.2%
SubTotals	2,906,092	4,288	0.1%		2,811,671	208,652	7.4%		2,820,069	113,638	4.0%
		Nov-06				Dec-06				Jan-07	
	All	Quarterly	Percentage		All	Quarterly	Percentage		All	Quarterly	Percentage
DIA	31,323	2,861	9.1%		30,155	5,157	17.1%		31,566	4,165	13.2%
IWM	36,318	35,787	98.5%		257,176	60,902	23.7%		244,633	15,902	6.5%
QQQQ	1,635,512	239,094	14.6%		1,206,128	66,696	5.5%		1,789,142	18,793	1.1%
SPY	707,720	17,304	2.4%		335,242	59,910	17.9%		458,250	3,695	0.8%
XLE	177,354	931	0.5%		267,776	6,376	2.4%		547,292	833	0.2%
SubTotals	2,588,227	295,977	11.4%		2,096,477	199,041	9.5%		3,070,883	43,388	1.4%
		Feb-07				Mar-07				Apr-07	
	All	Quarterly	Percentage		All	Quarterly	Percentage		All	Quarterly	Percentage
DIA	38,223	9,224	24.1%		63,905	9,227	14.4%		27,303	1,670	6.1%
IWM	609,971	62,464	10.2%		807,848	339,946	42.1%		373,963	74,107	19.8%
QQQQ	1,671,404	66,458	4.0%		1,845,257	116,578	6.3%		1,117,713	38,859	3.5%
SPY	741,135	26,401	3.6%		1,144,869	283,799	24.8%		749,628	31,257	4.2%
XLE	114,407	1,452	1.3%		215,128	39,391	18.3%		105,188	7,161	6.8%
SubTotals	3,175,140	165,999	5.2%		4,077,007	788,941	19.4%		2,373,795	153,054	6.4%
		May-07			Aug 06 to May 07						
	All	Quarterly	Percentage		All	Quarterly	Percentage		All	Quarterly	Percentage
DIA	46,247	490	1.1%		281,322	33,015	11.7%	**Last Three Months**	9,681,030	1,006,356	10.4%
IWM	739,492	25,266	3.4%		4,177,650	697,756	16.7%	**First Three Months**	8,537,832	326,578	3.8%
QQQQ	1,474,247	5,700	0.4%		15,880,610	720,275	4.5%				
SPY	730,969	31,371	4.3%		6,572,893	525,208	8.0%				
XLE	239,273	1,534	0.6%		2,249,714	61,306	2.7%				
SubTotals	3,230,228	64,361	2.0%		29,162,189	2,037,560	7.0%				

Open Interest Comparison
Quarterly Options vs. Regular Options

	Jan-07				Feb-07		
	All	**Quarterly**	**Percentage**		**All**	**Quarterly**	**Percentage**
DIA	1,145,544	114,611	10.0%		1,171,644	167,798	14.3%
IWM	4,668,578	921,510	19.7%		6,220,301	1,572,955	25.3%
SPY	3,803,135	271,288	7.1%		4,736,869	461,699	9.7%
XLE	1,209,787	32,074	2.7%		1,315,668	43,883	3.3%
QQQQ	6,470,154	281,127	4.3%		7,377,797	508,521	6.9%
SubTotals	17,297,198	1,620,610	9.4%		20,822,279	2,754,856	13.2%
	Mar-07				**Apr-07**		
	All	**Quarterly**	**Percentage**		**All**	**Quarterly**	**Percentage**
DIA	1,132,420	175,136	15.5%		1,288,421	151,780	11.8%
IWM	7,726,735	2,146,567	27.8%		7,227,079	1,566,443	21.7%
SPY	6,057,519	1,034,747	17.1%		5,847,038	441,985	7.6%
XLE	1,267,677	179,525	14.2%		1,132,867	44,827	4.0%
QQQQ	7,302,283	626,993	8.6%		7,591,639	546,241	7.2%
SubTotals	23,486,634	4,162,968	17.7%		23,087,044	2,751,276	11.9%
	May-07				**Jan 2007 to May 2007**		
	All	**Quarterly**	**Percentage**		**All**	**Quarterly**	**Percentage**
DIA	1,479,235	168,646	11.4%		6,217,264	777,971	12.5%
IWM	7,422,452	2,055,162	27.7%		33,265,145	8,262,637	24.8%
SPY	6,589,855	583,729	8.9%		27,034,416	2,793,448	10.3%
XLE	1,583,792	103,125	6.5%		6,509,791	403,434	6.2%
QQQQ	9,041,781	663,601	7.3%		37,783,654	2,626,483	7.0%
SubTotals	26,117,115	3,574,263	13.7%		110,810,270	14,863,973	13.4%

SR Amex 2007-66
EXHIBIT 5

AMERICAN STOCK EXCHANGE LLC

Proposed Rule Change

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

Rule 903 – Series of Options Open for Trading

No Change.

*** * * Commentary**

.**01 - .08** No Change.

.09 Quarterly Options Series Pilot Program: For a pilot period, the Exchange may list and trade options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either Stock Index Options or options on exchange traded funds. In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar pilot program under their respective rules. The pilot will [commence the day the Exchange first initiates trading in a Quarterly Options Series, which shall be no later than August 10, 2006 and will] expire on July 10, 200[7]8.

(a) The Exchange will list series that expire at the end of the next consecutive four (4) calendar quarters, as well as the fourth quarter of the next calendar year. For example, if the Exchange is trading Quarterly Options Series in the month of May 200[6]7, it will list series that expire at the end of the second, third and fourth quarters of 200[6]7, as well as the first and fourth quarters of 200[7]8. Following the second quarter 200[6]7 expiration, the Exchange will add series that expire at the end of the second quarter of 200[7]8.

(b) The Exchange will not list a Short Term Options Series on an options class whose expiration coincides with that of a Quarterly Options Series on that same options class.

(c) The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two strike prices above and two strike prices below the value of the underlying security at about the time that a Quarterly Options Series is opened for trading on the Exchange. The Exchange shall list strike prices for a Quarterly Options Series that are within $5 from the closing price of the underlying on the preceding day. Additional Quarterly Options Series of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying security moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within $5 from the closing price of the underlying on the preceding day. The opening of new Quarterly Options Series shall not affect the series of options of the same class previously opened.

(d) The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

Rule 903C – Series of Stock Index Options

(a) No change.

(i) – (iii) No change.

(iv) Quarterly Options Series Pilot Program: For a pilot period, the Exchange may list and trade options series that expire at the close of business on the last business day of a calendar quarter ("Quarterly Options Series"). The Exchange may list Quarterly Options Series for up to five (5) currently listed options classes that are either Stock Index Options or options on exchange traded funds. In addition, the Exchange may also list Quarterly Options Series on any options classes that are selected by other securities exchanges that employ a similar pilot program under their respective rules. The pilot will [commence the day the Exchange first initiates trading in a Quarterly Options Series, which shall be no later than August 10, 2006 and will] expire on July 10, 200[7]8.

1. The Exchange will list series that expire at the end of the next consecutive four (4) calendar quarters, as well as the fourth quarter of the next calendar year. For example if the Exchange is trading Quarterly Options Series in the month of May 200[6]7, it will list series that expire at the end of the second, third and fourth quarters of 200[6]7, as well as the first and fourth quarters of 200[7]8. Following the second quarter 200[6]7 expiration, the Exchange will add series that expire at the end of the second quarter of 200[7]8.

2. The Exchange will not list a Short Term Option Series on an options class whose expiration coincides with that of a Quarterly Options Series on that same options class.

3. Quarterly Options Series shall be P.M. settled.

4. The strike price of each Quarterly Options Series will be fixed at a price per share, with at least two, but not more than five, strike prices above and at least two, but not more than five, strike prices below the value of the underlying [security] index at about the time that a Quarterly Options Series is opened for trading on the Exchange. [The Exchange shall list strike prices for a Quarterly Options Series that are within $5 from the closing price of the underlying on the preceding day.] The Exchange may open for trading additional Quarterly Options Series of the same class if the current index value of the underlying index moves substantially from the exercise price of those Quarterly Options Series that already have been opened for trading on the Exchange. The exercise price of each Quarterly Options Series opened for trading on the Exchange shall be reasonably related to the current index value of the underlying index to which such series relates at or about the time such series of options is first opened for trading on the Exchange. The term "reasonably related to the current index value of the underlying

index" means that the exercise price is within thirty percent (30%) of the current index value. The Exchange may also open for trading additional Quarterly Options Series that are more than thirty percent (30%) away from the current index value, provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate, or individual customers or their brokers. Market-makers trading for their own account shall not be considered when determining customer interest under this provision. The Exchange may open additional strike prices of a Quarterly Options Series that are above the value of the underlying index provided that the total number of strike prices above the value of the underlying index is no greater than five. The Exchange may open additional strike prices of a Quarterly Options Series that are below the value of the underlying index provided that the total number of strike prices below the value of the underlying index is no greater than five. The opening of any new Quarterly Options Series shall not affect the series of options of the same class previously opened.

5. The interval between strike prices on Quarterly Options Series shall be the same as the interval for strike prices for series in that same options class that expire in accordance with the normal monthly expiration cycle.

(v) No Change.

• • • *Commentary* ------------------

No Change.