

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 (1) amend the Exchange Traded Fund Shares (“ETFs”) Fee Schedule to revise various transaction fees and (2) adopt a revenue sharing program for specialists and registered traders. The text of the proposed changes to the Amex Fee Schedule 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 May 31, 2007. 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*

Charges Assessed for Transactions in Customer Accounts

The Exchange proposes to revise the fees it charges to members for transactions in customer accounts¹. Currently, Amex transaction charges for ETFs are assessed for customer accounts monthly on a per share basis with the application of various caps and discounts. The Exchange now proposes to (1) decrease the transaction charge for customers from \$0.0030 to \$0.0023 (given the lower rate the \$100 per transaction cap will result in transaction charges being assessed only on the first 43,478

¹ Customer accounts are defined for purposes of the fee schedule to include accounts for all market participants except specialists and registered traders. Therefore, customer accounts (and the fees charged to them) include members’ off-floor proprietary accounts, competing market makers on other exchanges and other member and non-member broker-dealers.

shares); (2) eliminate the waiver of fees for electronically entered orders of 2,400 shares or less; (3) establish a flat rate of \$0.0007 per share (or seven cents per 100 shares) for clearing charges for orders routed to and executed at another market center; (4) establish a flat rate of \$0.0030 per share for orders routed to and executed at another market(it should be noted orders routed to and executed at another exchange are charged this fee in lieu of the Amex transaction charge); and (5) establish a fee of 0.3% of total dollar value of the transaction for equities trading with a share price of less than \$1.00.

Transaction Charges for Specialists

Currently, ETF specialists and registered traders are assessed a transaction charge of \$0.0003 per share (or 3 cents per 100 shares) for all shares executed per month. In addition, transaction charges for ETF specialists are capped at \$400,000 per month. There are no caps or discounts applied to ETF registered trader transaction charges. In conjunction with the revenue sharing program described below and a proposed prohibition on specialist commissions, which is proposed by means of a separate filing² being submitted in conjunction with this proposal, the Exchange proposes to eliminate transaction charges for specialists and registered traders and of course, with the transaction charge eliminated the \$400,000 per month cap for specialists will be eliminated as well.

Revenue Sharing Program

The Exchange proposes to introduce a revenue sharing program for specialists. Revenue sharing payments will be made from the Exchange's general revenues and will not be limited to a particular revenue source. The Exchange's reasons for introducing

² See, SR-Amex 2007-67, filed on June 28, 2007.

this revenue sharing program for specialists reflects a recognition of both the uncertainties faced by specialists in light of the implementation of Regulation NMS and their proposed loss of commission income. Thus, in order to provide specialists with a source of payments in lieu of commissions and to provide incentives to specialists to quote aggressively in Amex-traded shares, the Exchange proposes to distribute revenue to the specialists and registered traders as outlined below. The program will be in effect through the end of December 2007.

There will be two ways in which ETF specialists will participate in revenue sharing. ETF specialists will receive a payment (calculated monthly) of \$0.0024 per share (or 24 cents per 100 shares) whenever the specialist either buys or sells his specialty ETF on the Exchange, and is a provider of liquidity in that transaction (e.g., whose quote is traded against or who offsets an order imbalance as part of an opening or closing transaction). Additionally, ETF specialists will receive a payment (calculated monthly) of \$0.0004 per share (or 4 cents per 100 shares) for all shares executed on the Exchange in their specialty ETF in which the specialist does not participate. Registered traders in ETFs will receive a revenue sharing payment of \$0.0010 per share (or 10 cents per 100 shares) whenever the registered trader either buys or sells an ETF on the Exchange and is a provider of liquidity in that transaction. Neither the specialist nor the registered trader will receive a payment when they are contra-parties to the same transaction. It should be noted that revenue sharing will also be paid on transactions in securities trading at less than \$1.00 equal to the amount collected by the Exchange. However, the revenue sharing payment will only be paid on the portion of a transaction for which the Exchange collects revenue. As discussed above, customer transaction

charges are capped at \$100 per transaction, which means that transaction charges are assessed on only the first 43,478 shares. Thus, for transactions of more than 43,478 shares, specialists and registered traders will only receive payments based on the first 43,478 shares.

* * * *

The revisions to the ETF Fee Schedule and the adoption of a revenue sharing program for specialists and registered traders will be implemented beginning July 1, 2007. As discussed above, the Exchange is also proposing to eliminate specialist commissions in a separate filing in which the Exchange requests accelerated effectiveness so that the prohibition on specialists' commissions will also take effect on July 1, 2007.

(b) *Basis*

The proposed rule change is consistent with Section 6(b) of the Act³ in general and furthers the objectives of Section 6(b)(4) of the Act⁴ in particular in that it is intended to assure the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities. Specifically, the Exchange is proposing to reduce and/or eliminate various fees for its market participants while instituting a revenue sharing program to provide incentives for an increase in order flow.

³ 15 U.S.C. 78f(b)

⁴ 15 U.S.C. 78f(b)(4).

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.

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. **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).

(b) The filing relates solely to charges imposed on members by a self-regulatory organization and as such takes effect upon filing pursuant to Paragraph (A)(ii) of Section 19(b)(3) and Rule 19b-4(f)(2) thereunder.

(c) Not applicable

(d) Not applicable

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

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. **Exhibits**

List of Exhibits Filed:

1. Notice of Proposed Rule Change for publication in the **Federal Register**
2. Not applicable
3. Not applicable
4. Not applicable
5. Text of changes to the Amex Fee Schedule.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-Amex-2007-68)

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating Fees Charged to Member Organizations for Transactions in ETFs

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 (1) amend the Exchange Traded Fund Shares (“ETFs”) Fee Schedule to revise various transaction fees and (2) adopt a revenue sharing program for specialists and registered traders.

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

Charges Assessed for Transactions in Customer Accounts

The Exchange proposes to revise the fees it charges to members for transactions in customer accounts¹. Currently, Amex transaction charges for ETFs are assessed for customer accounts monthly on a per share basis with the application of various caps and discounts. The Exchange now proposes to (1) decrease the transaction charge for customers from \$0.0030 to \$0.0023 (given the lower rate the \$100 per transaction cap will result in transaction charges being assessed only on the first 43,478 shares); (2) eliminate the waiver of fees for electronically entered orders of 2,400 shares or less; (3) establish a flat rate of \$0.0007 per share (or seven cents per 100 shares) for clearing charges for orders routed to and executed at another market center; (4) establish a flat rate of \$0.0030 per share for orders routed to and executed at another market(it

¹ Customer accounts are defined for purposes of the fee schedule to include accounts for all market participants except specialists and registered traders. Therefore, customer accounts (and the fees charged to them) include members' off-floor proprietary accounts, competing market makers on other exchanges and other member and non-member broker-dealers.

should be noted orders routed to and executed at another exchange are charged this fee in lieu of the Amex transaction charge); and (5) establish a fee of 0.3% of total dollar value of the transaction for equities trading with a share price of less than \$1.00.

Transaction Charges for Specialists

Currently, ETF specialists and registered traders are assessed a transaction charge of \$0.0003 per share (or 3 cents per 100 shares) for all shares executed per month. In addition, transaction charges for ETF specialists are capped at \$400,000 per month. There are no caps or discounts applied to ETF registered trader transaction charges. In conjunction with the revenue sharing program described below and a proposed prohibition on specialist commissions, which is proposed by means of a separate filing² being submitted in conjunction with this proposal, the Exchange proposes to eliminate transaction charges for specialists and registered traders and of course, with the transaction charge eliminated the \$400,000 per month cap for specialists will be eliminated as well.

Revenue Sharing Program

The Exchange proposes to introduce a revenue sharing program for specialists. Revenue sharing payments will be made from the Exchange's general revenues and will not be limited to a particular revenue source. The Exchange's reasons for introducing this revenue sharing program for specialists reflects a recognition of both the uncertainties faced by specialists in light of the implementation of Regulation NMS and their proposed loss of commission income. Thus, in order to provide specialists with a source of payments in lieu of commissions and to provide incentives to specialists to

² See, SR-Amex 2007-67, filed on June 12, 2007.

quote aggressively in Amex-traded shares, the Exchange proposes to distribute revenue to the specialists and registered traders as outlined below. The program will be in effect through the end of December 2007.

There will be two ways in which ETF specialists will participate in revenue sharing. ETF specialists will receive a payment (calculated monthly) of \$0.0024 per share (or 24 cents per 100 shares) whenever the specialist either buys or sells his specialty ETF on the Exchange, and is a provider of liquidity in that transaction (e.g., whose quote is traded against or who offsets an order imbalance as part of an opening or closing transaction). Additionally, ETF specialists will receive a payment (calculated monthly) of \$0.0004 per share (or 4 cents per 100 shares) for all shares executed on the Exchange in their specialty ETF in which the specialist does not participate. Registered traders in ETFs will receive a revenue sharing payment of \$0.0010 per share (or 10 cents per 100 shares) whenever the registered trader either buys or sells an ETF on the Exchange and is a provider of liquidity in that transaction. Neither the specialist nor the registered trader will receive a payment when they are contra-parties to the same transaction. It should be noted that revenue sharing will also be paid on transactions in securities trading at less than \$1.00 equal to the amount collected by the Exchange. However, the revenue sharing payment will only be paid on the portion of a transaction for which the Exchange collects revenue. As discussed above, customer transaction charges are capped at \$100 per transaction, which means that transaction charges are assessed on only the first 43,478 shares. Thus, for transactions of more than 43,478 shares, specialists and registered traders will only receive payments based on the first 43,478 shares.

* * * *

The revisions to the ETF Fee Schedule and the adoption of a revenue sharing program for specialists and registered traders will be implemented beginning July 1, 2007. As discussed above, the Exchange is also proposing to eliminate specialist commissions in a separate filing in which the Exchange requests accelerated effectiveness so that the prohibition on specialists' commissions will also take effect on July 1, 2007.

(2) Statutory Basis

The proposed fee change is consistent with Section 6(b)(4) of the 1934 Act³ regarding the equitable allocation of reasonable dues, fees and other charges among exchange members and other persons using exchange facilities.

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 immediately pursuant to Section 19(b)(3)(A)(ii) of the Act⁴ and Rule 19b-4(f)(2)⁵ thereunder. At any time within 60 days of

³ 15 U.S.C. 78f(b)(4).

the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in the furtherance of the purposes of the Securities Exchange Act of 1934.

IV. Solicitation of Comments

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

Electronic Comments:

Use the Commission's Internet comment form at <http://www.sec.gov/rules/sro.shtml> or send an e-mail to rulecomments@sec.gov. Please include File No. SR-Amex-2007-69 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 20549-0609.

All submissions should refer to File No. SR-Amex-2007-68. 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

⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁵ 17 CFR 240.19b-4(f)(2).

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-2007-68 and should be submitted on or before [insert date 21 days from publication in the *Federal Register*].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Dated:

Nancy M. Morris
Secretary

⁶ 17 CFR 200.30-3(a)(12).

SR Amex 2007-68
EXHIBIT 5

AMERICAN STOCK EXCHANGE LLC

Proposed Change to the Amex Fee Schedule

Underlined text indicates material to be added. Text with [brackets] indicates material to be deleted.

Exchange Traded Funds and Trust Issued Receipts Fee Schedule

Exchange Traded Funds (ETFs) include Portfolio Depositary Receipts, Index Fund Shares and Trust Issued Receipts. The fees imposed for executing trades in these are as follows:

I. Transaction Charges for [ETFs]Customers

	[Specialists]	[Registered Traders]	[Customer / Broker-Dealer (Off-Floor)]
Per Share Side	[\$0.0003 (\$0.03 per 100 shares)]	[\$0.0003 (\$0.03 per 100 shares)]	\$[0.0030] <u>0.0023</u> (\$[0.30] <u>0.23</u> per 100 shares)
Subject to the following per trade maximums:	NA	NA	\$100 ([33,333] <u>43,478</u> shares)

Note:

[1. Orders entered electronically into the Amex Order File from off the Floor ("System Orders") for up to 2,400 shares in Exchange Traded Funds will not be assessed a transaction charge.]

1.[2.] Customers include all market participants except specialists and registered traders. Customer orders include the following account types: (A) - Agency, (I) - For the account of an individual investor, as covered by Section 11(a)(1)(E) of the Securities Exchange Act of 1934, (K) - Program Trade for the account of an individual investor, (J) - Program Trade/Index Arbitrage for the account of an individual investor, and (H)-Short Exempt for the account of an individual investor.

[3. Transaction charges for specialists will be capped at \$400,000 per month per specialist unit.]

2.4 Transactions resulting from orders routed to the Amex [through the NMS Linkage Plan] from another market center will be assessed transaction charges based on the share charges set forth above. [These transactions will also be eligible for Note 1 above.]

3.[5. There shall be no charge for ETFs executed at a per price share of less than \$1.00.] The fee for shares that execute with a share price below \$1.00 is 0.3% (i.e., 30 basis points) of the total dollar volume of the transaction. In calculating these charges, each transaction will be subject to a maximum fee of \$100.

II. Order Cancellation Fee

No change.

III. [Pass-Through]Charges for Orders Routed to and Executed on Another Market Center [Through the NMS Linkage System]

[To determine the amount of these fees members will need to consult the fee schedules published by each market center.]Members will be assessed monthly a routing charge for orders routed to and executed on another market center of \$0.0030 per share (or thirty cents per 100 shares). The routing charge for shares that execute with a share price below \$1.00 is 0.3% (i.e., 30 basis points) of the total dollar value of the transaction.

IV. Clearing Charges for Orders Routed to and Executed on Another Market Center

Clearing charges will be assessed monthly at a rate of \$0.0007 per share (or seven cents per 100 shares). [based on the average size of the order ticket routed to another market center through the Exchange's private linkage. The average size of an outbound order ticket is based on the total volume of shares routed on behalf of the Exchange during each trading day, divided by the actual number of order tickets routed that resulted in an execution. The following is a listing of the clearing price per share charged:]

[Average Size of Outbound Order Tickets	Clearing Price Per Share
>= 0 – 150	\$0.001
>= 150 and < 300	\$0.0008
>= 300 and < 500	\$0.0007
>= 500 and < 750	\$0.0006
>= 750 and < 1500	\$0.0005
>= 1500 and < 2500	\$0.0004
>= 2500 and < 6000	\$0.0003
>= 6000	\$0.000275]

[Each execution will be charged a per share rate based on the Clearing Price Per Share rate in effect on each trading day. For example, if the Clearing Price Per Share rate determined in accordance with the above schedule, is \$0.0005 on a given trading day, a member has submitted two orders, one order for 100 shares and one order for 1000 shares on that trading date, and both orders were executed in full through the private

linkage. The clearing charges assessed to the member for the 100 share order will be \$0.05 (100 X \$0.0005) and the clearing charge assessed to the member for the 1000 share order will be \$0.50 (1000 X \$0.0005). The Amex will accumulate the daily clearing charges and bill members monthly the daily accumulated charges.]