

Proposed Rule Change by American Stock Exchange
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input type="checkbox"/>	Section 19(b)(3)(A) <input checked="" type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>		Date Expires <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description
Provide a brief description of the proposed rule change (limit 250 characters).

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	<input type="text" value="Nyieri"/>	Last Name	<input type="text" value="Nazarian"/>
Title	<input type="text" value="Assistant General Counsel"/>		
E-mail	<input type="text" value="nyieri.nazarian@amex.com"/>		
Telephone	<input type="text" value="(212) 306-1837"/>	Fax	<input type="text" value="(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	<input type="text" value="08/07/2007"/>
By	<input type="text" value="Jeffrey P. Burns"/> (Name)
	<input type="text" value="Vice President and Assistant 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.

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

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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

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

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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

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

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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 “Exchange”) proposes to amend Commentary .02 to Rule 950-ANTE (d) to permit the member firm guarantee of either 20% or 40% to apply to certain specified solicited orders. The text of the proposed rule changes appears in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

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

The proposed rule change was approved by the Exchange’s Board of Governors on November 29, 2006. No further action is required to be taken.

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

(a) *Purpose*

The purpose of this proposed rule change is to permit the Facilitation Procedures Committee (the “Committee”), appointed by the Board, on a class by class basis, to apply the member firm guarantee currently available for facilitation crosses, to solicited orders which improve the quoted market. The Exchange proposes either a 20% or a 40% guarantee, to be determined by the Committee. The current member firm guarantee provides that a member firm is entitled to a participation guarantee of 40% if the order is traded at a price that matches or improves the market. The Amex submits that the proposal is similar to amendments recently adopted by the Chicago Board Options Exchange, Incorporated (the “CBOE”).¹

¹ See Securities Exchange Act Release No. 53543 (March 23, 2006); 71 FR 15780 (March 29, 2006) (SR-CBOE-2006-21).

A solicited order is an order solicited by a member firm (floor broker) to trade with another order. The Amex submits that orders which improve the quoted market that are solicited in order to facilitate a public customer order should receive a similar guaranteed participation as a member firm facilitating its customer's order if so determined by the Facilitation Procedures Committee.

Pursuant to Commentary .02(a)-(c) to Rule 950—ANTE (d), a floor broker holding an order for its public customer and a facilitation order is permitted to cross the orders if (i) floor broker discloses on its order ticket for the public customer order which is subject to facilitation, all the terms of such order, including, if applicable, any contingency involving other options, underlying securities, or related securities; (ii) the floor broker requests bids and offers for the option series subject to facilitation, then discloses the public customer order and any contingency respecting such order which is subject to facilitation and identifies the order as being subject to facilitation; and (iii) after providing an opportunity for such bids and offers to be made, the floor broker on behalf of the public customer whose order is subject to facilitation, either bids at/above the highest bid or at/below the lowest offer in the market. After all other market participants are given an opportunity to accept the bid or offer made on behalf of the public customer whose order is subject to facilitation, the floor broker may cross all or any remaining part of such order and the facilitation order at such customer's bid or offer by announcing in public outcry that he is crossing such orders stating the quantity and price(s).

Notwithstanding the provisions provided for in Commentary .02(a)-(c) of 950—ANTE(d), in cases where a member firm is seeking to facilitate its own public customer's order, Commentary .02(d)(1) to Rule 950—ANTE (d) currently provides that

member firms are entitled to participate in the firm's proprietary account as the contra-side of that order to the extent of 40% of the remaining contracts, after public customer orders on the specialist's book or customer orders represented by a floor broker in the crowd have been filled, provided the order trades at a price that matches or improves the market. This member firm guarantee provides, under certain conditions, the ability to cross 40% of the customer order on behalf of a member organization before the specialist and/or registered options traders in the crowd can participate in the transaction. The provision generally applies to orders of 400 contracts or more. However, the Exchange is currently permitted to establish smaller eligible order sizes, on a class-by-class basis, provided that size is not for fewer than 50 contracts.

The proposed amendments to Commentary .02(d) to Rule 950—ANTE would allow the Committee to (i) determine if solicited orders which improve the quoted market may be crossed in the same manner as facilitation cross transactions, including that the floor broker complies with the disclosure and quote request process applicable to facilitated orders as described above and (ii) to establish smaller eligible order sizes (i.e. less than 400 contracts but not less than 50 contracts), a determination that is currently made by the Exchange.

Current Commentary .02(d)(1) to Rule 950—ANTE (d) permits a member seeking to facilitate its own public customers option order to participate as the contra-side of that order to the extent of 40% of the remaining contracts provided certain criteria are satisfied. In February 2005, the Exchange received Commission approval to implement a member firm guarantee of 40% for facilitation crosses for orders traded at the market or

better than the market.² The proposed changes would provide the Exchange with discretion by permitting participation to the extent of either 20% or 40% as determined on a class by class basis by the Committee. Additionally, the proposal would eliminate references to equity option orders and index options orders so that all options orders would be subject to the proposed changes.

The Exchange further proposes amendments to Commentary .02(d) (3) and (4) to Rule 950—ANTE (d) to include both facilitation and solicited orders.

Furthermore, the proposed amendments would also allow the Committee, under authority properly delegated by the Amex, to exempt a particular option class from the application of Commentary .02 to Rule 950—ANTE (d).

The Exchange also notes that Commentary .04 to Rule 950—ANTE(d) still applies to solicited orders, while the amended Commentary .02(d)(1) applies in those cases where a member firm is seeking to cross a public customer order with a solicited order.

Section 11(a)(1) of the Securities Exchange Act of 1934 (the “1934 Act”) makes it unlawful for a member of an exchange to effect a transaction for its own account on that exchange unless a specific exception applies. The exceptions are set forth in Section 11(a)(1) and in various rules adopted by the Commission subsequent to the enactment of Section 11. In connection with the use of affiliated or “house” floor brokers by Amex members, Section 11(a)(1)(G)(“G Orders”) of the 1934 Act provides an exemption from the prohibitions of Section 11(a) for transactions effected for a member's own account if the member meets a business mix test that requires it to be primarily

² See Exchange Act Release No. 51275 (February 28, 2005), 70 FR 10709 (March 4, 2005).

engaged in the business of underwriting and distributing securities, selling securities to customers and/or acting as a broker and provided more than 50% of its gross revenues is derived from such businesses and related activities.³ However, all G Orders must yield priority to any bid or offer at the same price for the account of a person who is not or is not associated with a member. Therefore, if a G Order is entered by a floor broker as part of a solicited transaction, the G Order will not be permitted an execution ahead of any non-member order on the book.⁴

The Committee will meet quarterly and will be chaired by the Chairman of the Board (the “Chairman”) or his or her designee who will vote to break ties. Each quarter the composition of the Committee will be determined by the Chairman or his or her designee who will choose two (2) specialist representatives, two (2) ROT representatives and two (2) floor broker representatives from a pool annually chosen by the Board to serve on the Committee.

(b) *Statutory Basis*

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act⁵ in general and furthers the objectives of Section 6(b)(5)⁶ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

³ Rule 11a1-1(T)(b) under the 1934 Act provides additional guidance to members seeking to meet the business mix test requirements of Section 11(a)(1)(G)(i).

⁴ Because the ANTE System is not programmed to recognize "G" orders and provide for the order to yield to all non-member accounts, affiliated floor brokers are prohibited from sending "G" orders in options into the ANTE System. This prohibition is necessary in order to prevent a violation of Section 11(a)(1) of the 1934 Act by a member using an affiliated broker to represent a "G" order.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

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

The proposed rule change will impose no burden on competition.

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) 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 provided the Commission with written notice of its intent to file this proposed rule change at least five business days prior to the

date of the filing. The CBOE recently received Commission approval of a substantially similar rule change.⁷ Accordingly, the Exchange believes that this rule change qualifies for expedited approval as a “non-controversial” rule change pursuant to Rule 19b-4(f)(6) because the proposal raises no new regulatory issues, and is concerned solely with a matter that is not likely to engender adverse comments or require the degree of review attendant with more controversial filings. Waiver of this period will allow the Exchange to immediately implement this proposal.

(c) Not applicable.

(d) Not applicable.

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

The proposed rule change is substantially based on the rules of the CBOE.

9. **Exhibits**

List of Exhibits Filed:

1. Form of Notice of Proposed Rule Change for publication in the Federal Register
2. Not applicable.
3. Not applicable.
4. Not applicable.
5. Text of the Proposed Rule Change.

⁷ *Supra* footnote 1.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-Amex-2007-84)

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating to Commentary .02 to Amex Rule 950-ANTE (d)

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 (the "Amex" or the "Exchange") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Commentary .02 to Rule 950-ANTE (d) to permit the member firm guarantee to apply to certain specified solicited orders.

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 purpose of this proposed rule change is to permit the Facilitation Procedures Committee (the “Committee”), appointed by the Board, on a class by class basis, to apply the member firm guarantee currently available for facilitation crosses, to solicited orders which improve the quoted market. The Exchange proposes either a 20% or a 40% guarantee, to be determined by the Committee. The current member firm guarantee provides that a member firm is entitled to a participation guarantee of 40% if the order is traded at a price that matches or improves the market. The Amex submits that the proposal is similar to amendments recently adopted by the Chicago Board Options Exchange, Incorporated (the “CBOE”).¹

A solicited order is an order solicited by a member firm (floor broker) to trade with another order. The Amex submits that orders which improve the quoted market that are solicited in order to facilitate a public customer order should receive a similar guaranteed participation as a member firm facilitating its customer’s order if so determined by the Facilitation Procedures Committee.

¹ See Securities Exchange Act Release No. 53543 (March 23, 2006); 71 FR 15780 (March 29, 2006) (SR-CBOE-2006-21).

Pursuant to Commentary .02(a)- (c) to Rule 950—ANTE (d), a floor broker holding an order for its public customer and a facilitation order is permitted to cross the orders if (i) floor broker discloses on its order ticket for the public customer order which is subject to facilitation, all the terms of such order, including, if applicable, any contingency involving other options, underlying securities, or related securities; (ii) the floor broker requests bids and offers for the option series subject to facilitation, then discloses the public customer order and any contingency respecting such order which is subject to facilitation and identifies the order as being subject to facilitation; and (iii) after providing an opportunity for such bids and offers to be made, the floor broker on behalf of the public customer whose order is subject to facilitation, either bids at/above the highest bid or at/below the lowest offer in the market. After all other market participants are given an opportunity to accept the bid or offer made on behalf of the public customer whose order is subject to facilitation, the floor broker may cross all or any remaining part of such order and the facilitation order at such customer's bid or offer by announcing in public outcry that he is crossing such orders stating the quantity and price(s).

Notwithstanding the provisions provided for in Commentary .02(a)-(c) of 950—ANTE(d), in cases where a member firm is seeking to facilitate its own public customer's order, Commentary .02(d)(1) to Rule 950—ANTE (d) currently provides that member firms are entitled to participate in the firm's proprietary account as the contra-side of that order to the extent of 40% of the remaining contracts, after public customer orders on the specialist's book or customer orders represented by a floor broker in the crowd have been filled, provided the order trades at a price that matches or improves the

market. This member firm guarantee provides, under certain conditions, the ability to cross 40% of the customer order on behalf of a member organization before the specialist and/or registered options traders in the crowd can participate in the transaction. The provision generally applies to orders of 400 contracts or more. However, the Exchange is currently permitted to establish smaller eligible order sizes, on a class-by-class basis, provided that size is not for fewer than 50 contracts.

The proposed amendments to Commentary .02(d) to Rule 950—ANTE would allow the Committee to (i) determine if solicited orders which improve the quoted market may be crossed in the same manner as facilitation cross transactions, including that the floor broker complies with the disclosure and quote request process applicable to facilitated orders as described above and (ii) to establish smaller eligible order sizes (i.e. less than 400 contracts but not less than 50 contracts), a determination that is currently made by the Exchange.

Current Commentary .02(d)(1) to Rule 950-ANTE (d) permits a member seeking to facilitate its own public customers option order to participate as the contra-side of that order to the extent of 40% of the remaining contracts provided certain criteria are satisfied. In February 2005, the Exchange received Commission approval to implement a member firm guarantee of 40% for facilitation crosses for orders traded at the market or better than the market.² The proposed changes would provide the Exchange with discretion by permitting participation to the extent of either 20% or 40% as determined on a class by class basis by the Committee. Additionally, the proposal would eliminate references to equity option orders and index options orders so that all

² See Exchange Act Release No. 51275 (February 28, 2005), 70 FR 10709 (March 4, 2005).

options orders would be subject to the proposed changes.

The Exchange further proposes amendments to Commentary .02(d) (3) and (4) to Rule 950-ANTE (d) to include both facilitation and solicited orders.

Furthermore, the proposed amendments would also allow the Committee, under authority properly delegated by the Amex, to exempt a particular option class from the application of Commentary .02 to Rule 950-ANTE (d).

The Exchange also notes that Commentary .04 to Rule 950-ANTE(d) still applies to solicited orders, while the amended Commentary .02(d)(1) applies in those cases where a member firm is seeking to cross a public customer order with a solicited order.

Section 11(a)(1) of the Securities Exchange Act of 1934 (the “1934 Act”) makes it unlawful for a member of an exchange to effect a transaction for its own account on that exchange unless a specific exception applies. The exceptions are set forth in Section 11(a)(1) and in various rules adopted by the Commission subsequent to the enactment of Section 11. In connection with the use of affiliated or “house” floor brokers by Amex members, Section 11(a)(1)(G)(“G Orders”) of the 1934 Act provides an exemption from the prohibitions of Section 11(a) for transactions effected for a member's own account if the member meets a business mix test that requires it to be primarily engaged in the business of underwriting and distributing securities, selling securities to customers and/or acting as a broker and provided more than 50% of its gross revenues is derived from such businesses and related activities.³ However, all G Orders must yield priority to any bid or offer at the same price for the account of a person who is not or is

³ Rule 11a1-1(T)(b) under the 1934 Act provides additional guidance to members seeking to meet the business mix

not associated with a member. Therefore, if a G Order is entered by a floor broker as part of a solicited transaction, the G Order will not be permitted an execution ahead of any non-member order on the book.⁴

The Committee will meet quarterly and will be chaired by the Chairman of the Board (the “Chairman”) or his or her designee who will vote to break ties. Each quarter the composition of the Committee will be determined by the Chairman or his or her designee who will choose two (2) specialist representatives, two (2) ROT representatives and two (2) floor broker representatives from a pool annually chosen by the Board to serve on the Committee.

(2) Statutory Basis

The proposed rule change is consistent with Section 6(b)⁵ of the Act in general and furthers the objectives of Section 6(b)(5)³ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of change, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

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

⁴ Because the ANTE System is not programmed to recognize "G" orders and provide for the order to yield to all non-member accounts, affiliated floor brokers are prohibited from sending "G" orders in options into the ANTE System. This prohibition is necessary in order to prevent a violation of Section 11(a)(1) of the 1934 Act by a member using an affiliated broker to represent a "G" order.

⁵ 15 U.S.C. 78f.

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 under the Act because: (i) it does not significantly affect the protection of investors or the public interest; (ii) it does not impose any significant burden on competition; and (iii) by its terms, it does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the Exchange has given the Commission notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

A proposed rule change filed under Rule 19b-4(f)(6) may not become operative prior to thirty (30) days after the date of filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day waiting period so that the proposed rule change becomes effective immediately. The CBOE recently received Commission approval of a substantially

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. Section 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

similar rule change.⁹ Accordingly, the Exchange believes that this rule change qualifies for expedited approval as a “non-controversial” rule change pursuant to Rule 19b-4(f)(6) because the proposal raises no new regulatory issues, and is concerned solely with a matter that is not likely to engender adverse comments or require the degree of review attendant with more controversial filings. Waiver of this period will allow the Exchange to immediately implement this proposal.

The Commission believes that it is consistent with the protection of investors and the public interest for the proposed rule change to become operative immediately. At any time within sixty (60) days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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-2007-84 on the subject line.

⁹ *Supra* footnote 1.

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-2007-84. 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-2007-84 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.¹⁰
Dated: Nancy M. Morris
Secretary

¹⁰ 17 CFR 200.30–3(a)(12).

**SR Amex 2007-84
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 950-ANTE: Rules of General Applicability

* * * *

(d) The provisions of Rule 126, with the exception of subparagraphs (a) and (b) thereof, shall apply to Exchange option transactions and the following additional commentary shall also apply:

••• *Commentary* -----

.01 When a member holding a spread order, a straddle order, ratio order, a combination order, a stock-option order, or a security future-option order and bidding or offering on the basis of a total credit or debit for the order has determined that the order may not be executed by a combination of transactions with or within the bids and offers established in the marketplace, then the order may be executed as a spread, straddle, ratio, combination, stock-option, or security future-option order at the total credit or debit with one other member without giving priority to either bids or offers established in the marketplace that are not better than the bids or offers comprising such total credit or debit, provided that, (i) in executing a spread order, the member does not buy at the established bid for the option contract to be bought and sell at the established offer for the option contract to be sold or, (ii) in executing a straddle or combination order, the member does not either buy both sides of the order at the established bids or sell both sides of the order at the established offers. Stock-option orders and security future-option orders have priority over bids or offers of the trading crowd but not over bids or offers of public customers in the limit order book.

.02 A member who holds both an order for a public customer of a member organization and a facilitation order may cross such orders if:

(a) the member organization discloses on its order ticket for the public customer order which is subject to facilitation, all the terms of such order, including, if applicable, any contingency involving other options, underlying securities, or related securities; and

(b) the member requests bids and offers for the option series subject to facilitation, then discloses the public customer order and any contingency respecting such order which is subject to facilitation and identifies the order as being subject to facilitation; and

(c) after providing an opportunity for such bids and offers to be made, the member, on behalf of the public customer whose order is subject to facilitation, either bids above the highest bid or offers below the lowest offer in the market. After all other market participants are given an opportunity to accept the bid or offer made on behalf of the public customer whose order is subject to facilitation, the member may cross all or any remaining part of such order and the facilitation order at such customer's bid or offer by announcing in public outcry that (s)he is crossing such orders stating the quantity and price(s).

(d) (1) notwithstanding paragraph (c) above, and notwithstanding Commentary .04 below, a member firm: (i) seeking to facilitate its own public customer's [equity] option order [or index option order] for the eligible order size will be permitted to participate in the firm's proprietary account as the contra-side of that order to the extent of either 20% or 40% (as determined by the Facilitation Procedures Committee on a class by class basis) of the remaining contracts, provided the order trades at or between the best bid or offer given by the trading crowd in response to the floor broker's request for a market; or ii) seeking to cross a public customer order with a solicited order which improves the quoted market if included within the provisions of this Commentary by the Exchange (as determined by the Facilitation Procedures Committee on a class by class basis) will be permitted to cross the solicited order against the public customer order to the extent of either 20% or 40% of the remaining contracts.

If, however, a public customer order on the specialist's book or represented in the trading crowd has priority over the facilitation or solicited order, the member firm may participate in only those contracts remaining after the public customer's order has been filled.

(2) the eligible order size shall be 400 contracts or larger, unless the [Exchange]Facilitation Procedures Committee has established a smaller eligible order size, however, the eligible order size shall not be smaller than 50 contracts.

(3) if a [facilitation] transaction pursuant to this subparagraph (d) occurs at the specialist's bid or offer, the specialist's participation allocation shall only apply to the number of contracts remaining after all public customer orders and the member firm's facilitation order or the solicited order have been satisfied. Specialists are not entitled to any guaranteed participation for trades occurring pursuant to this paragraph (d) unless the floor broker crosses less than its guaranteed 40%. The total number of contracts guaranteed to be allocated to the member firm and/or the solicited party and the specialist in the aggregate shall not exceed 40% of the [facilitation] transaction. If

the [facilitation] transaction occurs at a price at which the specialist is not on parity, the specialist is entitled to no guaranteed participation allocation.

(4) nothing in this subparagraph (d) is intended to prohibit a member firm or specialist or solicited party from trading more than their guaranteed participation allocations if the other members of the trading crowd choose not to trade the remaining portion of the [facilitation] order.

When accepting a bid or offer made on behalf of a public customer whose order is subject to facilitation or whose order is subject to crossing against the solicited order, all contingencies of the public customer order must be satisfied. Once the bid or offer has been made on behalf of the public customer whose order is subject to facilitation or crossing, such public customer order has precedence over any other bid or offer in the crowd to trade immediately with the facilitation or solicited order.

The Facilitation Procedures Committee may exempt a particular option class from the application of this Commentary .02(d).

.03 No Change.

.04 A member or member organization representing an order in options ("originating order") may solicit another member, member organization or non-member broker dealer outside the trading crowd ("solicited party") to participate in the transaction on a proprietary basis provided the member or member organization, upon entering the trading crowd to execute the transaction announces to the trading crowd the same terms and conditions about the originating order as disclosed to the solicited party and bids at the price he is prepared to buy from the solicited party or offers at the price he is prepared to sell to the solicited party.

After all other market participants are given a reasonable opportunity to accept the bid or offer, the solicited party may accept all or any remaining part of such order or the member may cross all or any remaining part of the originating order with the solicited party at such bid or offer by announcing that the member is crossing the orders stating the quantity and price. Non-solicited market participants and floor brokers holding non-solicited discretionary orders in the trading crowd will have priority over the solicited party or the solicited order to trade with the original order at the best bid or offer price subject to the precedence rules set forth in Rule 155.

All orders subject to solicitation pursuant to this Commentary, and all tickets reflecting orders solicited pursuant to this Commentary, must be marked as specified by the Exchange. For purposes of this Rule, the term "broker/dealer" includes foreign broker/dealers.

.05 -.07 No Change.