



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 extend the transaction charge rebates currently applicable to supplemental registered options traders (“SROT”) to all Directed Order Participants. The text of the proposed rule change appears in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

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

The proposed rule change was approved by the Exchange’s Board of Governors on 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*

The Exchange is proposing to extend the options transaction charge<sup>1</sup> rebates currently applicable to SROT<sup>2</sup>, to all Directed Order Participants (including SROT) that provide liquidity to the Exchange and receive electronic directed customer orders (the “Directed Order Fee Rebate Program”). This Directed Order Fee Rebate Program will provide fee rebates to Directed Order Participants that provide order flow to the Exchange from an order flow provide firm.<sup>3</sup>

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<sup>1</sup> The options transaction charge is the collective of the Options Transaction Fee, the Options Comparison Fee and the Options Floor Brokerage fee, as noted on the Options Fee Schedule.

<sup>2</sup> See Securities Exchange Act Release No. 56002 (July 2, 2007), 72 FR 37548 (July 10, 2007).

<sup>3</sup> See Securities Exchange Act Release No. 56269 (August 15, 2007) (Notice of Filing and Order Granting Accelerated Approval of SR-Amex 2007-75). Generally, for purposes of the Directed Order Flow Program, a directed order is deemed to be an electronic customer order from an order flow provider that is directed to a specific specialist, registered options trader (“ROT”), SROT or remote registered options trader (“RROT”).

This proposal will allow the Exchange to provide Directed Order Participants with options transaction charge rebates for the number of options contracts that are electronically directed to them and executed on the Exchange. The following rebate schedule is proposed:

<b>Monthly Directed Order Volume (in contracts)</b>	<b>Rebate per Contract</b>
0 – 1,000,000	\$0.05
1,000,001 – 2,000,000	\$.10
2,000,001 – 3,000,000	\$.125
3,000,001 and up	\$.15

Rebates would be capped at 100% of transaction charges so that once a Directed Order Participant's transaction charges reach zero, the Exchange would not pay out any additional credits.<sup>4</sup>

The Exchange notes that Directed Order Participants are entitled to the options transaction charge rebate, which is separate and apart from the Exchange's Payment for Order Flow Plan<sup>5</sup>. The proposed options transaction charge rebate which is provided to Directed Order Participants will not come from the marketing fees collected on those transactions.

The Exchange asserts that the proposal is an equitable allocation of reasonable fees among Exchange members as required by Section 6(b)(4) of the Securities Exchange Act of 1934 (the "1934 Act").<sup>6</sup>

<sup>4</sup> For example, a Directed Order Participant which pays \$100,000 in transaction charges per month, could not receive more than a \$100,000 rebate.

<sup>5</sup> See FN 3

<sup>6</sup> Section 6(b)(4) requires that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.

(b) *Basis*

The proposed rule change is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>8</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.

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) of the Act.

(b) The filing relates solely to a rebate in connection with the exchange's directed order flow plan and as such takes effect upon filing under Subsection (ii) of Paragraph (A).

(c) Not applicable.

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

<sup>8</sup> 15 U.S.C. 78f(b)(4).

(d) Not applicable.

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

The proposed rule change is partially 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 the Revised Options Fee Schedule.

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION**

**(Release No. 34- ; File No. SR-Amex-2007-93)**

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by American Stock Exchange LLC Relating to the Options Directed Order Participant Transaction Charge Rebate Program**

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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 “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 extend the transaction charge rebates currently applicable to supplemental registered options traders (“SROT”) to all Directed Order Participants

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 Amex 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 options transaction charge<sup>1</sup> rebates currently applicable to SROTs<sup>2</sup>, to all Directed Order Participants (including SROTs) that provide liquidity to the Exchange and receive electronic directed customer orders (the “Directed Order Fee Rebate Program”). This Directed Order Fee Rebate Program will provide fee rebates to Directed Order Participants that provide order flow to the Exchange from an order flow provide firm.<sup>3</sup>

This proposal will allow the Exchange to provide Directed Order Participants with options transaction charge rebates for the number of options contracts that are electronically directed to them and executed on the Exchange. The following rebate schedule is proposed:

<b>Monthly Directed Order Volume (in contracts)</b>	<b>Rebate per Contract</b>
0 – 1,000,000	\$0.05
1,000,001 – 2,000,000	\$.10
2,000,001 – 3,000,000	\$.125
3,000,001 and up	\$.15

<sup>1</sup> The options transaction charge is the collective of the Options Transaction Fee, the Options Comparison Fee and the Options Floor Brokerage fee, as noted on the Options Fee Schedule.

<sup>2</sup> See Securities Exchange Act Release No. 56002 (July 2, 2007), 72 FR 37548 (July 10, 2007).

<sup>3</sup> See Securities Exchange Act Release No. 56269 (August 15, 2007) (Notice of Filing and Order Granting Accelerated Approval of SR-Amex 2007-75). Generally, for purposes of the Directed Order Flow Program, a directed order is deemed to be an electronic customer order from an order flow provider that is directed to a specific specialist, registered options trader (“ROT”), SROT or remote registered options trader (“RROT”).

Rebates would be capped at 100% of transaction charges so that once a Directed Order Participant's transaction charges reach zero, the Exchange would not pay out any additional credits.<sup>4</sup>

The Exchange notes that Directed Order Participants are entitled to the options transaction charge rebate, which is separate and apart from the Exchange's Payment for Order Flow Plan<sup>5</sup>. The proposed options transaction charge rebate which is provided to Directed Order Participants will not come from the marketing fees collected on those transactions.

The Exchange asserts that the proposal is an equitable allocation of reasonable fees among Exchange members as required by Section 6(b)(4) of the Securities Exchange Act of 1934 (the "1934 Act").<sup>6</sup>

(2) Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>8</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using facilities.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition.

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<sup>4</sup> For example, a Directed Order Participant which pays \$100,000 in transaction charges per month, could not receive more than a \$100,000 rebate.

<sup>5</sup> See FN 3.

<sup>6</sup> Section 6(b)(4) requires that the rules of a national securities exchange provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.

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

<sup>8</sup> 15 U.S.C. 78f(b)(4).

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>9</sup> and Rule 19b-4(f)(2)<sup>10</sup> thereunder. At any time within 60 days of 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 of 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](mailto:rulecomments@sec.gov). Please include File No. SR-Amex-2007-93 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.

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

<sup>10</sup> 17 CFR 240.19b-4(f)(2)

All submissions should refer to File No. SR-Amex-2007-93. 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-2007-93 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.

Nancy M. Morris  
Secretary

Dated:

**SR Amex 2007-93**  
**EXHIBIT 5**

AMERICAN STOCK EXCHANGE LLC  
Text of Options Fee Schedule

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

**Options Fee Schedule**

**I Options Transaction Fee** – No Change.

**II Options Comparison Fee** – No Change.

**III Options Floor Brokerage Fee** – No Change.

**IV Options Marketing Fee** – No Change.

**V Options Licensing Fee** – No Change.

**VI Options Order Cancellation Fee** – No Change.

**VII Broker-Dealer Auto-Ex Fees** – No Change.

Footnotes:

(1) – (11) - No Change.

(12) **Directed Order [SROT] Fee Rebate Program**: A[n] Directed Order Participant [SROT] that has customer orders directed to it electronically that are executed on the Exchange will be provided fee rebates for transaction charges incurred according to the following table:

<b>Monthly Directed Order Volume (in contracts)</b>	<b>*Rebate per Contract</b>
0 – 1,000,000	\$0.05
1,000,001 – 2,000,000	\$.10
2,000,001 – 3,000,000	\$.125
3,000,001 and up	\$.15

\* Rebates would be capped at 100% of transaction charges