

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 (“Amex” or “Exchange”) proposes to adopt changes to Rule 131-AEMI in order to provide for “Amex Only” orders and quotes. The text of the proposed rule change appears in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self -Regulatory Organization

Authority to make the proposed rule change was delegated to management by the Exchange’s Board of Governors on March 22, 2007, and such authority was exercised on November 20, 2007. 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 Exchange proposes to amend its rules to add a new order and a new quote type: the “Amex Only” order (or “AOO”) and the “Amex Only” quote (or “AOQ”). AOOs/AOQs will enable quoting and other market participants to post liquidity on the AEMI book which trades only at the Amex and therefore does not incur the costs of routing to away markets. In the event that any portion of an AOO or AOQ would otherwise be required, under Regulation NMS, to route to another market to avoid a trade-through or a locked or crossed market, then that portion of the AOO or AOQ will automatically be cancelled by AEMI. Additionally, in the event that auto-ex is disabled during the regular trading session, all AOOs or AOQs on the AEMI Book will be cancelled (and all incoming AOOs and AOQs rejected), as neither AOOs nor AOQs are permitted to participate in intra-day pair-offs.

AOOs and AOQs may only be entered during the pre-opening or regular trading session. AOOs may be limit or market orders. Quoting participants entering AOQs are limited to one per price point per side of the market in the particular security being quoted, and only those streaming quotes to the Exchange via proprietary systems will have AOQ functionality, when implemented.

AOOs and AOQs are being introduced by the Exchange in response to market participants' strong demands for more flexible order and quote types, whereby they can gain more control over transaction charges – one of the primary present drivers of order flow decisions. By using AOOs and AOQs, market participants on Amex will be able to be certain of either trading immediately against the contra side of the market on Amex, posting all or part of the order/quote on the AEMI Book, or cancelling the order/quote. The Exchange notes that another market already has a similar order type in place,¹ so competitive reasons are also driving the Exchange's decision to offer comparable functionality to liquidity providers.

The Exchange proposes to add the AOO and AOQ definitions in a new paragraph (z) of Rule 131–AEMI (Types of Orders).

(b) *Basis*

The proposed rule change is designed to be consistent with Regulation NMS, as well as consistent with Section 6(b)² of the Securities Exchange Act of 1934 (the "1934 Act"), in general, and furthers the objectives of Section 6(b)(5),³ in particular, in that it is

¹ See, e.g., NYSE Rule 13 ("Do Not Ship" or "DNS" Orders).

² 15 U.S.C. § 78f(b).

³ 15 U.S.C. § 78f(b)(5).

designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and national market system 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. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

(a) The Exchange believes that the proposed rule change is non-controversial pursuant to Paragraph A of Section 19(b)(3)⁴ of the 1934 Act and Rule 19b-4(f)(6) thereunder.⁵

(b) This proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days after the date of the filing, or

⁴ 15 U.S.C. § 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f)(6).

such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

The Exchange desires to implement this rule change on an expeditious basis for competitive reasons. The current inability of Amex market participants to control potential routing fees via order-type functionality represents a disincentive to their placing orders on the Amex book instead of on other markets that do offer such functionality (i.e., NYSE's "Do Not Ship" order). As the proposed "Amex Only" order type simply provides that functionality, no new issues are raised, and there is no reason to expect that Amex's filing will be controversial. Accordingly, the Exchange requests that the Commission waive the 30-day operative delay period for "non-controversial" proposals so that this rule change may be immediately effective and operative.

(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 is analogous to the "DNS" or "Do Not Ship" order of NYSE Rule 13, except Amex would also permit market orders to be designated AOO (akin to "DNS"). NYSE appears to have restricted the DNS stamp to limit orders, although immediately marketable limit orders appear to be DNS-eligible as well.⁶

⁶ NYSE Rule 13 provides:

Do Not Ship or "DNS" Order

A limited price order to buy or sell that is to be quoted and/or executed in whole or in part on the Exchange. An order so marked, or part thereof, will be immediately and automatically cancelled if compliance with Exchange rules or federal securities laws requires that all or part of such order be routed to another market center for execution. If quoting a DNS order will cause the locking or crossing of another market center in violation of Exchange Rule 19 (Locking or Crossing Protected Quotations in NMS Stocks), the DNS order will be immediately and automatically

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.

cancelled. When a DNS order is not eligible to be traded, the order will be placed on the Display Book® system at its limit price.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34- ; File No. SR-Amex-2008-03)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by American Stock Exchange LLC To Provide For “Amex Only” Orders and Quotes.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² 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 Amex. The Amex has submitted the proposed rule change under Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to adopt changes to Rule 131—AEMI in order to provide for “Amex Only” orders and quotes, which are orders and quotes on the AEMI book which either trade only at the Amex or are cancelled.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

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 Amex included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its rules to add a new order and a new quote type: the "Amex Only" order (or "AOO") and the "Amex Only" quote (or "AOQ"). AOOs/AOQs will enable quoting and other market participants to post liquidity on the AEMI book which trades only at the Amex and therefore does not incur the costs of routing to away markets. In the event that any portion of an AOO or AOQ would otherwise be required, under Regulation NMS, to route to another market to avoid a trade-through or a locked or crossed market, then that portion of the AOO or AOQ will automatically be cancelled by AEMI. Additionally, in the event that auto-ex is disabled during the regular trading session, all AOOs or AOQs on the AEMI Book will be cancelled (and all incoming AOOs and AOQs rejected), as neither AOOs nor AOQs are permitted to participate in intra-day pair-offs.

AOOs and AOQs may only be entered during the pre-opening or regular trading session. AOOs may be limit or market orders. Quoting participants entering AOQs are limited to one per price point per side of the market in the particular security being quoted, and only those streaming quotes to the Exchange via proprietary systems will have AOQ functionality, when implemented.

AOOs and AOQs are being introduced by the Exchange in response to market participants' strong demands for more flexible order and quote types, whereby they can gain more control over transaction charges – one of the primary present drivers of order flow decisions. By using AOOs and AOQs, market participants on Amex will be able to be certain of either trading immediately against the contra side of the market on Amex, posting all or part of the order/quote on the AEMI Book, or cancelling the order/quote. The Exchange notes that another market already has a similar order type in place,⁵ so competitive reasons are also driving the Exchange's decision to offer comparable functionality to liquidity providers.

The Exchange proposes to add the AOO and AOQ definitions in a new paragraph (z) of Rule 131–AEMI (Types of Orders).

2. Statutory Basis

The proposed rule change is designed to be consistent with Regulation NMS, as well as consistent with Section 6(b)⁶ of the Securities Exchange Act of 1934 (the "1934 Act"), in general, and furthers the objectives of Section 6(b)(5),⁷ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to

⁵ See, e.g., NYSE Rule 13 ("Do Not Ship" or "DNS" Orders).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and national market system and, in general, to protect investors and the public interest.

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

The Amex believes that 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 Amex has designated the proposed rule change as one that: (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) does not become operative for 30 days from the date of filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. In addition, as required under Rule 19b-4(f)(6)(iii),⁸ the Amex provided the Commission with written notice of its intention to file the proposed rule change, along with a brief description of the text of the proposed rule change, at least five business days prior to filing the proposal with the Commission. Therefore, the proposed rule change has become effective pursuant to

⁸ 17 CFR 240.19b-4(f)(6)(iii).

Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰

The Amex has requested the Commission to waive the 30-day operative delay for competitive reasons, because, according to the Exchange, the current inability of Amex market participants to control potential routing fees via order-type functionality creates a disincentive to their placing orders on the Amex book instead of on other markets that do offer such functionality (i.e., NYSE's "Do Not Ship" order). Amex further states that the proposed "Amex Only" order type simply provides the functionality already available at NYSE, so no new issues are raised and there is no reason to expect that Amex's filing will be controversial.

The Commission hereby grants Amex's request¹¹ and believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because "Amex Only" orders and quotes are substantially similar to the "Do Not Ship" order at the NYSE and do not raise new regulatory issues. For these reasons, the Commission designates that the proposed rule change become operative immediately.

At any time within 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.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

¹¹ For purposes of waiving the 30-day operative delay, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

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 1934 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-2008-03 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 No. SR-Amex-2008-03. 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-2008-03 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Secretary

¹² 17 CFR 200.30-3(a)(12).

AMERICAN STOCK EXCHANGE LLC

Proposed Rule Change

It is proposed that the following provisions 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 131—AEMI**Types of Orders**

(a) – (y) No Change.

“Amex Only” Orders and Quotes (“AOOs” and “AOQs”)

(z) An AOO is a round-lot or partial round-lot, market or limit, order that cancels (i) to the extent compliance with Exchange rules or federal securities laws would require such order to be routed out to another market to avoid trading through, locking, or crossing a protected quotation or (ii) if Auto-Ex is disabled for any reason when the AOO is submitted to, or resting on, the AEMI Book.

An AOQ is a quote that cancels (i) to the extent compliance with Exchange rules or federal securities laws would require such quote to be routed out to another market to avoid trading through, locking, or crossing a protected quotation or (ii) if Auto-Ex is disabled for any reason when the AOQ is submitted to, or resting on, the AEMI Book. In the event only one side of an AOQ is cancelled, that shall not otherwise affect the contra-side of the quote which may still interact with or rest on the AEMI book, as the case may be. Quoting participants entering AOQs may only maintain one AOQ per price point per side of the market in the security being quoted.

AOOs and AOQs may only be entered during the pre-opening and regular trading session, and any AOOs or AOQs that are not immediately executed or cancelled will post on the AEMI Book.

•••Commentary

.01 – .03 No Change.

.04 AOQs will only be available to quoting participants streaming quotes into AEMI via proprietary systems.