

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-53123; File No. SR-Amex-2005-110)

January 13, 2006

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of Proposed Rule Change Relating to Specialist Clerks

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 October 31, 2005, the American Stock Exchange LLC (“Amex” or “Exchange”) filed with the Securities and Exchange Commission (“Commission” or “SEC”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by Amex. 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 amendments to Amex Rule 184 to require specialists to employ an adequate number of clerks to enable the specialist unit to efficiently handle trading volume in the unit’s registered securities and meet its regulatory responsibilities.

The text of the proposed rule change is below. Proposed new language is in italics; proposed deletions are in [brackets].

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Rule 184. Specialist Clerks

(a) A specialist or specialist unit shall [may] regularly employ, subject to such rules and regulations as the Board of Governors may adopt[,] an adequate number of [one or more] clerks[,] to aid such specialist or specialist unit on the floor of the Exchange and to enable the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

unit to efficiently handle actual and reasonably anticipated volume in the unit's registered securities, provided each such clerk receives the approval of the Exchange. A yearly fee, as imposed by the Exchange and payable as directed by the Exchange, shall be charged the specialist or specialist unit for each clerk. No rebate shall be given with respect to the fee in the event that a specialist or specialist unit discontinues the services of such a clerk during any period.

(b) A specialist or specialist unit may, for the purpose of obtaining assistance on a temporary basis, utilize the services on the floor of the Exchange of a clerk regularly employed by another specialist or specialist unit, provided that: (1) such use shall be subject to the approval of the Exchange and the consent of the specialist or specialist unit regularly employing the clerk and shall be subject to such conditions as the Exchange may impose; and (2) such clerk shall not disclose to one specialist or specialist unit any information with respect to orders entrusted to the other specialist or specialist unit.

[Commentary

.01 Each specialist unit will be allowed by the Exchange to employ a number of clerks which the Exchange approves as reasonable from time to time to enable the unit to efficiently handle actual and reasonably anticipated volume in the unit's registered securities.]

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

In its filing with the Commission, the Exchange included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposal. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Amex Rule 184 governs the employment of clerks on the trading floor by specialists, and provides that each specialist unit may regularly employ a number of clerks to aid the specialist unit on the trading floor provided that such clerk(s) receive Exchange approval. Commentary .01 to Amex Rule 184 further provides that each specialist unit will be allowed by the Exchange to employ a number of clerks which the Exchange approves as reasonable to enable the specialist unit to efficiently handle actual and reasonably anticipated volume in the unit's registered securities.

A number of Amex Rules, most notably Amex Rule 170, require specialists to comply with a variety of affirmative and negative obligations. Additionally, specialists are subject to certain Commission order handling rules. In order to comply with SEC and Amex Rules applicable to specialist activities as well as the Exchange Guidelines, it is essential that each specialist unit employ an adequate number of clerks on the trading floor. To clarify this requirement, the Exchange is proposing that Amex Rule 184 be amended to specifically provide

that specialists must maintain adequate staffing levels on the trading floor, as necessary to fulfill their regulatory obligations.

The New York Stock Exchange, Inc. (“NYSE”) imposes substantially similar staffing obligations on its specialist units.³

2. Statutory Basis

Amex believes that the proposed rule change is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5),⁵ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest.

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

The Exchange believes that the proposed rule change will impose no burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

No written comments were solicited or received in response to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall:

(A) by order approve such proposed rule change, or

³ See NYSE Rule 35, Supplementary Material .40.

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5)

- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-Amex-2005-110 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-9303.

All submissions should refer to File Number SR-Amex-2005-110. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of Amex.

All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-Amex-2005-110 and should be submitted on or before [insert date 21 days from the date of publication in the Federal Register].

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

Nancy M. Morris
Secretary

⁶ 17 CFR 200.30-3(a)(12).