

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-53319; File No. SR-Amex-2006-13)

February 15, 2006

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Deadline for Implementation of the ANTE System

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 6, 2006, the American Stock Exchange LLC (“Exchange” or “Amex”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. Amex has designated this proposal as non-controversial under Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup> which renders the proposed rule change 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 amend Amex Rule 900—ANTE to extend the deadline for implementation of the Amex New Trading Environment trading platform (the “ANTE System” or “ANTE”) for all option classes from December 31, 2005, to June 30, 2006. The text of the proposed rule change is available on Amex’s Web site (<http://www.amex.com>), at Amex’s principal office, and at the Commission’s Public Reference Room.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

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 proposed rule change. 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

On May 20, 2004, the Commission approved Amex's proposal to implement a new options trading platform known as ANTE.<sup>5</sup> On May 25, 2004, Amex began rolling out the ANTE System on its trading floor on a specialist's post-by-specialist's post basis. At that time it was anticipated the roll-out would be completed by the end of the second quarter of 2005. The implementation date for the full roll-out of the ANTE System was subsequently extended to December 31, 2005.<sup>6</sup> Amex has rolled out the ANTE System to all its option classes except one—the Nasdaq 100 Index ("NDX"). NDX has the largest notional value of any option class, with average option premiums of \$40. The specialist for this product is concerned that the theoretical price calculator provided by the ANTE System may not accurately price the options on this index. The specialist has installed its own theoretical index price calculator, which currently calculates prices for the firm's other options products, including the Mini Nasdaq Index (MNX), an index valued at one-tenth the value of NDX.

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<sup>5</sup> See Securities Exchange Act Release No. 49747, 69 FR 30344 (May 27, 2004) (File No. SR-Amex-2003-89).

The specialist for NDX has sought more time to gain experience using its proprietary price calculator before it moves NDX onto the ANTE System. The Exchange expects that NDX will be moved onto the ANTE System by June 30, 2006.

Amex is now proposing to revise its implementation schedule to provide that all option classes traded by the Exchange will be on the ANTE System by June 30, 2006. Maintaining two platforms for options trading—the legacy systems (AODB, the Amex Options Display Book; XTOPS, Amex’s theoretical price calculator; and Auto-Ex) and ANTE—is costly. In a separate filing submitted February 6, 2006, for immediate effectiveness pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>7</sup> the Exchange is proposing to impose a Technology Assessment Fee on members for the continued use of its legacy options trading systems.<sup>8</sup> The intent of this assessment is to recover some of the costs incurred for maintaining the legacy systems and to provide an additional incentive to the NDX specialist to transition NDX to the ANTE System as soon as possible.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act<sup>9</sup> in general and furthers the objectives of Section 6(b)(5)<sup>10</sup> 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 regulating,

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<sup>6</sup> See Securities Exchange Act Release No.52984 (December 20, 2005), 70 FR 76472 (December 27, 2005) (File No. SR-Amex-2005-123).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> See File No. SR-Amex-2006-12, notice of which the Commission is separately publishing for comment today (Securities Exchange Act Release No. 53318).

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and is not designed to permit unfair discrimination between customers, issuers, brokers, and dealers.

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 that is 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 with respect to the proposed rule change.

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and Rule 19b-4(f)(6)<sup>12</sup> thereunder because it (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the filing date of the proposed rule change, or such shorter time as the Commission may designate.

The Exchange has requested that the Commission waive the five-day pre-filing requirement and the 30-day operative delay of Rule 19b-4(f)(6)(iii) so that the proposed rule

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 19b-4(f)(6).

change may become effective immediately.<sup>13</sup> The Commission believes that waiving the pre-filing requirement and the operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission has determined to waive the pre-filing requirement and the operative delay and allow the proposed rule change to become operative immediately.<sup>14</sup>

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.

#### 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](mailto:rule-comments@sec.gov). Please include File No. SR-Amex-2006-13 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>13</sup> The Exchange gave the Commission written notice of its intent to file the proposed rule change by notice on January 14, 2005.

<sup>14</sup> For purposes only of waiving the operative delay of this proposal, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

All submissions should refer to File Number SR-Amex-2006-13. 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 Commissions 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 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 Number SR-Amex-2006-13 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.<sup>15</sup>

Nancy M. Morris  
Secretary

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<sup>15</sup> 17 CFR 200.30-3(a)(12).