

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-54629; File No. SR-Amex-2006-88)

October 19, 2006

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of Proposed Rule Change Relating to Amendments to the Exchange's Generic Listing Standards for Index-Linked Securities

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 20, 2006, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 to Section 107D (b) of the Amex Company Guide to extend the maximum duration of index-linked securities ("Index-Linked Securities") from ten (10) years to thirty (30) years. The text of the proposed rule change is available on the Amex's Web site at <http://www.amex.com>, the Office of the Secretary of 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

Pursuant to Section 107A of the Amex Company Guide, the Exchange may approve for listing and trading securities that cannot be readily categorized under the listing criteria for common and preferred securities, bonds, debentures, or warrants.³ In February 2005, the Commission approved the Exchange's proposal to add Section 107D to the Amex Company Guide for the purpose of adopting generic listing standards pursuant to Rule 19b-4(e)⁴ in connection with Index-Linked Securities.⁵

The Exchange states that Section 107D of the Amex Company Guide currently sets forth eleven (11) criteria that the issue and the issuer must meet in order to list and trade Index-Linked Securities at the Exchange.⁶ One of the criteria the Exchange considers for the listing and trading of Index-Linked Securities pursuant to 107D is that the term of the issue must be a minimum term of one (1) year but not greater than (10) years. The Exchange currently proposes to amend Section 107D(b) to extend the duration of the term of the issue from ten (10) years to thirty (30) years. The Exchange believes this amendment to Section 107D is appropriate due to increased demand from

³ See Securities Exchange Act Release No. 27753 (March 1, 1990), 55 FR 8626 (March 8, 1990)(SR-Amex-89-29).

⁴ 17 CFR 240.19b-4(e).

⁵ See Securities Exchange Act Release No. 51258 (February 25, 2005), 70 FR 10700 (March 4, 2005)(SR-Amex-2005-001).

⁶ The Exchange may submit a rule filing pursuant to Section 19(b)(2) of the Act to permit the listing and trading of index linked securities that do not otherwise meet the generic listing criteria set forth in Section 107D.

issuers to list and trade Index-Linked Securities that are greater than ten (10) years in duration. In addition, the Exchange notes that corporate bonds and other fixed-income products have historically been issued with terms of up to, or greater than, thirty (30) years.

The Exchange believes expanding the duration for Index-Linked Securities subject to generic listing standards in Section 107D of the Company Guide will help to foster quote competition and promote enhanced efficiency in the marketplace. Incorporating these guidelines into the Exchange's generic listing standards for Index-Linked Securities will allow Index-Linked Securities that satisfy the listing standards to begin trading pursuant to Rule 19b-4(e), without constituting a proposed rule change within the meaning of Section 19(b) of the Act and Rule 19b-4, for which notice and comment and Commission approval is necessary.⁷ The Exchange's ability to rely on Rule 19b-4(e) to list such Index-Linked Securities potentially reduces the time frame for bringing these securities to the market, thereby promoting competition and making such products available to investors more quickly. The Exchange also notes that the Commission has approved amendments to the generic listing standards for equity-linked notes that removed the maximum term limits for those securities.⁸

⁷ Telephone Conference on October 12, 2006 among Richard A. Mikaliunas, Senior Vice President, Amex and Nyieri Nazarian, Assistant General Counsel, Amex and Rebekah Liu, Special Counsel, Division of Market Regulation ("Division"), Commission and Mitra Mehr, Special Counsel, Division, Commission (Telephone Conference).

⁸ Telephone Conference. See Securities Exchange Act Release No. 42110 (November 5, 1999), 64 FR 61677 (November 12, 1999) (SR-Amex-99-33); 41992 (October 7, 1999), 64 FR 56007 (October 15, 1999) (SR-NYSE-99-22); 42313 (January 4, 2000), 65 FR 2205 (January 13, 2000) (SR-CHX-99-19).

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act⁹ in general and furthers the objectives of Section 6(b)(5)¹⁰ 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.

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

The Exchange believes that 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.

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

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 self-regulatory organization consents, the Commission will:

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

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

(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 Number SR-Amex-2006-88 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 Number SR-Amex-2006-88. 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 the 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-2006-88 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.¹¹

Nancy M. Morris
Secretary

¹¹ 17 CFR 200.30-3(a)(12).