

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55824; File No. SR-Amex-2007-52)

May 29, 2007

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Floor Broker Zone Requirements in AEMI

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 May 24, 2007, 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 and II below, which Items have been substantially prepared by Amex. The Exchange filed the proposed rule change as a “non-controversial” rule change under Rule 19b-4(f)(6) under the Act,³ 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 a specific zone (each a “Zone” or collectively, the “Zones”) requirement for floor brokers in equities and ETFs on the trading floor. The text of the proposed rule change is available on Exchange’s Web site (www.amex.com), at Amex’s principal office, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 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, 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. 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, Proposed Rule Change

1. Purpose

The Exchange proposes to amend the AEMI Rules⁴ to require a floor broker to be located within the same Zone when submitting a Crowd Order in that Zone.⁵ A floor broker may trade in any crowd on the floor of the Exchange, but, pursuant to existing Rule 1A—AEMI, must be physically present in the crowd to represent a Crowd Order in the AEMI Book.⁶ Furthermore, upon leaving a crowd or logging out of his system, a floor broker must either: (i) cancel all crowd orders in the AEMI Book for securities in the crowd he is leaving, (ii) electronically submit the orders in the form of percentage or limit order to the Specialist for handling, or (iii)

⁴ See Securities Exchange Act Release No. 54552 (September 29, 2006), 71 FR 59546 (October 10, 2006) (order approving SR-Amex-2005-104) (“AEMI Approval Order”); see also Securities Exchange Act Release No. 54709 (November 3, 2006), 71 FR 65847 (November 9, 2006) (order approving SR-Amex-2006-72).

⁵ A Crowd Order is defined in Rule 1A—AEMI as a order in the AEMI Book that is represented by: (1) a broker standing in the crowd or (2) a bid or offer in the AEMI Book entered by a Registered Trader standing in the crowd.

⁶ The “AEMI Book” is the part of the AEMI platform that holds and automatically matches orders, bids, and offers submitted to it electronically by specialists, Registered Traders, Floor Brokers, and off-Floor members in accordance with these rules.

electronically route the crowd order to another floor broker in the crowd, via his hand held terminal.⁷

The Exchange proposes, in Rule 1A—AEMI, to establish three trading Zones to reflect the specific identifiable areas on the trading floor where floor brokers are able to conduct business at each post/panel within the Zone. A floor broker will be considered to be in the Zone if he or she is physically present in the area set forth as part of that Zone. The Exchange believes that designating specific Zones on the trading floor will serve to distinguish the areas that benefit the interaction among the members on the trading floor. The Exchange proposes to require that a floor broker submitting a Crowd Order must be within the same Zone as where he is submitting the Crowd Order.

As noted above, a floor broker, upon leaving a crowd or logging out of his system, must either: (i) cancel all crowd orders in the AEMI Book for securities in the crowd he is leaving, (ii) electronically submit the orders in the form of percentage or limit order to the Specialist for handling, or (iii) electronically route the crowd order to another floor broker in the crowd, via his hand held terminal.⁸ The Exchange however, proposes two exceptions to the Zone requirement. First, a floor broker may leave a Zone to obtain “market looks” in securities located at panels that are part of another Zone.⁹ Second, a floor broker may leave the Zone for the time necessary to change its hand held batteries without having to cancel all Crowd Orders, electronically submit orders to the Specialist for handling, or electronically route the Crowd Order to another floor broker in the Zone.

⁷ See AEMI Approval Order, 71 FR at 59551.

⁸ Id.

⁹ “Market looks” are quick snapshots of trading interest that brokers convey back to their customers.

AEMI securities are traded on the Main Trading Floor, the Mezzanine, and the ground floor of the Exchange, which is called Harry's. In this regard, the Exchange proposes to designate Zones in only those three areas of the Trading Floor. The Main Trading Floor shall be designated as Zone A, the Mezzanine as Zone B, and Harry's as Zone C.

The Exchange intends to disseminate to its members an information circular identifying the specific areas comprising each Zone.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act¹⁰ in general and furthers the objectives of Section 6(b)(5) of the Act¹¹ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, protect investors and the public interest.

B. 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.

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

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

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and subparagraph (f)(6) of Rule 19b-4 thereunder.¹³ As required under Rule 19b-4(f)(6)(iii),¹⁴ the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of the filing of the proposed rule change.

Amex has requested that the Commission waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest.¹⁵ The Commission notes that the proposed rule change is modeled on NYSE Rules 70.20 and 70.30, which previously have been subject to a public notice period.¹⁶ Amex's proposal does not appear to raise any novel regulatory issues and will allow Amex without undue delay to define what it means for a floor broker to be physically present in a crowd and thus permitted to represent a Crowd Order in the AEMI Book.

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 the furtherance of the purposes of the Act.

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

¹⁵ For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁶ See Securities Exchange Act Release Nos. 54427 (September 12, 2006), 71 FR 54862 (September 19, 2006) (SR-NYSE-2006-58); and 55316 (February 20, 2007), 72 FR 8825 (February 27, 2007) (SR-NYSE-2007-14).

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-2007-52 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-2007-52. 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 Section. 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-2007-52 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.¹⁷

Florence E. Harmon
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).