

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-55963; File No. SR-Amex-2007-38)

June 26, 2007

Self-Regulatory Organizations; American Stock Exchange LLC; Notice of Filing of Proposed Rule Change Amending Preferred Stock Voting Rights

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 April 20, 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, II, and III below, which Items have been substantially prepared by the 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 to amend the minimum voting rights to be provided to preferred shareholders in order for a preferred stock issue to list on the Amex. The text of the proposed rule change is available at the Amex, on the Amex’s Web site at <http://amex.com>, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

Section 124, "Preferred Voting Rights," of the Company Guide sets forth the minimum voting rights an issuer must provide to holders of preferred stock in order for a preferred stock issue to be approved for listing on the Amex. Currently, the Exchange may decline to list a preferred stock issue unless the preferred shareholders have the right, voting as a class, to vote on any change in the rights, privileges or preferences of their preferred shares and/or the creation of any additional class of preferred stock senior to or equal in preference to their preferred shares. Additionally, any such change in the rights, privileges or preferences of preferred shares and/or creation of an additional class of senior preferred stock must be approved by at least two-thirds of the preferred shareholders, and any creation of an additional class of preferred stock equal in preference must be approved by at least a majority of the preferred shareholders.

The Exchange now proposes amendments to the minimum preferred voting rights required for listing in order to provide additional flexibility to issuers of preferred stock and to make the requirements more consistent with those of the New York Stock Exchange LLC ("NYSE").³

³ Section 313.00(C) of the NYSE Listed Company Manual.

(i) Alteration of Existing Provisions

The Exchange proposes to amend paragraph (i) of Section 124(b) to specify that: (A) holders of at least two-thirds of the outstanding shares of a preferred stock issue should be required to approve any charter or by-law amendment that would materially affect existing terms of the preferred stock; and (B) if all series of a class of preferred stock are not equally affected by a proposed change to the terms of the preferred stock, two-thirds approval of both the class and the series to be affected by the proposed change should be required to authorize such change. The Exchange also proposes to require that an issuer's charter not hinder preferred shareholders' right to alter the terms of their stock by limiting modification to specific items, e.g., interest rate, redemption price.

(ii) Creation of a Senior Issue

The Exchange proposes to amend paragraph (ii) of Section 124(b) to provide that: (A) a vote by an existing series of preferred stock is not required for the board of directors of an issuer to create a senior series if shareholders authorized such action when the existing series was created; and (B) a vote by an existing class is not required for the creation of a senior issue if the existing class received adequate notice of redemption to occur within 90 days and the existing issue is not being retired with proceeds from the sale of the new issue.

(iii) Increase in Authorized Amount or Creation of a Pari Passu Issue

The Exchange proposes to provide in new paragraph (iii) of Section 124(b) that an increase in the authorized amount of a class of preferred stock or the creation of a pari passu issue is required to be approved by a majority of the outstanding shares of the class or classes to be affected by such change. A majority vote would not, however, be required if, at the time a class of

class of preferred stock was created, the preferred shareholders gave the board of directors the authority to increase the authorized amount of a series of preferred stock or create an additional series of preferred stock equal in preference.

The Exchange believes that by enabling preferred stock issuers to obtain in advance the shareholder authorization required for future creations of senior or pari passu series and/or increases in authorized amounts of a series, their capital raising processes will be less restricted. In addition, the proposed rule change will align preferred voting rights with current market practices. Shareholders purchasing affected preferred shares will be put on notice, either at the time of the initial offering or subsequently, that the board of directors has such authority. Moreover, preferred shareholders will still retain important voting rights, particularly in the case of dividend defaults, and will still be protected against adverse corporate actions pursuant to applicable state law.

2. Statutory Basis

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) of the Act,⁵ in particular, in that it is 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 a national market system, and, in general, to 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

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

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 Exchange consents, the Commission will:

- (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-2007-38 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-2007-38. 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 on official business days between the hours of 10:00 am and 3:00 pm. Copies of the 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-2007-38 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.⁶

Florence E. Harmon
Deputy Secretary

⁶ 17 CFR 200.30-3(a)(12).